

**PURCHASE AND SALE AGREEMENT AND JOINT ESCROW INSTRUCTIONS**

THIS PURCHASE AND SALE AGREEMENT AND JOINT ESCROW INSTRUCTIONS (this "Agreement") is made and entered into as of the \_\_\_ day of \_\_\_\_\_, 2012 by and between BAY AREA HEADQUARTERS AUTHORITY, a joint powers authority established pursuant to the California Joint Exercise of Powers Act ("Seller"), and BAY AREA AIR QUALITY MANAGEMENT DISTRICT, a regional air pollution control agency ("Buyer").

IN CONSIDERATION of the respective agreements hereinafter set forth, Seller and Buyer hereby agree as follows:

1. Property. Seller hereby agrees to sell and convey to Buyer, and Buyer hereby agrees to purchase from Seller, subject to the terms and conditions set forth herein, the following (collectively, the "Property"):

(a) that certain office condominium unit identified as [Unit/Suite] \_\_\_ located at 390 Main Street, San Francisco, California 94105, as more particularly described in Exhibit A attached hereto (the "Unit"), together with all rights, privileges, easements and appurtenances to or affecting the Unit, including without limitation membership in the Corporation, the right to use the Common Area and the Jointly Shared Spaces and the \_\_\_\_\_ (\_\_\_) parking spaces appurtenant to the Unit, as more fully set forth in that certain Declaration of Covenants, Conditions and Restrictions (the "CC&R's") recorded in the Official Records of the City and County of San Francisco as Document No. \_\_\_\_\_ on \_\_\_\_\_ 20\_\_\_ the (collectively, the "Real Property");

(b) all of Seller's right, title and interest in and to the work stations, office furniture, fixtures, telephone and computer systems and other equipment installed by Seller in the Unit (the ("Personal Property"); and

(c) all "as-built" plans and specifications and governmental permits and approvals relating to the use and occupancy of the Unit (the ("Intangible Property").

All capitalized terms not otherwise defined herein shall have the meanings set forth in the CC&R's.

2. Purchase Price; Independent Consideration.

(a) Purchase Price and Manner of Payment.

(i) Base Purchase Price. The purchase price (the "Purchase Price") to be paid by Buyer to Seller for the Property at closing shall be \_\_\_\_\_ (\$\_\_\_\_\_). The Purchase Price shall be paid in cash or other immediately available funds through the escrow established pursuant to Section 7 below.

(ii) Contingent Purchase Price. At such time as Buyer sells the Real Property to any party other than a successor agency charged with managing air quality in the San Francisco Bay Area, if the net proceeds received by Buyer, after deducting Buyer's share of

closing costs, exceeds the Purchase Price set forth in subparagraph (i) above, Buyer shall pay to Seller immediately upon the closing of such sale that portion of such excess equal to the amount, if any, by which the Agency Footprint Actual Cost (as defined below) exceeds the Purchase Price set forth in (i) above. "Agency Footprint Actual Cost" shall mean the total cost actually incurred by Seller in acquiring, remodeling and furnishing the Agency Space multiplied by the Percentage Ownership Interest attributed to the Unit in accordance with Section 2.01(t) of the CC&R's. The Agency Footprint Actual Cost shall be determined as provided in Article 23 of that certain Office Lease, dated \_\_\_\_\_, 2012 between Seller as landlord, and Buyer, as tenant (the Lease"). The provisions of this Section 2(a)(ii) shall survive the Closing.

(b) Independent Consideration. Upon mutual execution of this Agreement, Buyer shall deliver to Seller in cash the sum of ONE HUNDRED AND NO/100 DOLLARS (\$100.00) (the "Independent Contract Consideration") which amount has been bargained for and agreed to as consideration for Buyer's exclusive option to purchase the Property provided hereunder and for Seller's execution and delivery of this Agreement. The Independent Contract Consideration is in addition to and independent of all other consideration provided in this Agreement, and is nonrefundable in all events.

3. Seller's Deliveries. Within a reasonable period of time following the mutual execution of this Agreement, Seller shall, to the extent Seller has not already done so, deliver or cause to be delivered to Buyer the following, to the extent in Seller's actual possession (collectively, the "Due Diligence Materials") at Seller's sole cost and expense: (a) a current preliminary title report prepared by Title Company with respect to the Real Property, together with legible copies of all underlying documents referenced therein (collectively, the "Preliminary Report"), (b) copies of any environmental reports, studies, surveys and other documentation with respect to the environmental condition of the Unit or the real property on which it is located (the "Environmental Documents"), (c) copies of all other existing reports, plans, surveys, drawings and specifications relating to the Property, (d) copies of all documents regarding litigation, liens or threatened claims with respect to the Property (if any), (e) copies of all contracts and agreements with respect to management and maintenance of the Property which Seller desires Buyer to assume; and (f) copies of all building occupancy permits, including certificates of occupancy, for the Unit. The Due Diligence Materials are for Buyer's use in connection with Buyer's investigation of the Property. Buyer acknowledges that, except as otherwise provided in Section 9 below, Seller is not making any representation or warranty of any kind with respect to the Due Diligence Materials, including their accuracy, completeness or suitability for reliance thereon by Buyer.

4. Buyer's Review and Seller's Disclaimer.

(a) Inspection Period. As used herein, the term "Inspection Period" shall refer to a period of time to expire at 5:00 p.m., Pacific Time, on the date that is ten (10) days following the later of (i) full execution of this Agreement by Buyer and Seller or (ii) the date on which Seller has delivered the Due Diligence Materials to Buyer.

(b) Physical Inspection. Buyer hereby acknowledges that it currently occupies the Unit pursuant to the terms of the Lease and has had ample opportunity to observe

and inspect the physical condition of the Unit, the building of which it is a part, including without limitation the Common Area and the Jointly Shared Spaces, and the Personal Property.

(c) Title. Buyer shall complete its review of the Preliminary Report and all documents and information pertaining to any exceptions to title listed therein prior to the expiration of the Inspection Period. Any such exceptions not expressly disapproved by Buyer in writing within the applicable review period shall be deemed approved and shall be referred to as "Permitted Exceptions." In the event that Buyer notifies Seller in writing of its disapproval of any exceptions to title listed in the Preliminary Report on or before the expiration of the applicable review period ("Objections"), Seller shall have the right, but not the obligation, to cure any of the Objections by removing or causing the Title Company to insure over such Objections within thirty (30) days after receipt of the Objections, during which period the Closing will be postponed if necessary. If Seller is unable to cure any Objections within said thirty (30) day period, or if Seller gives Buyer written notice at anytime during said thirty (30) day period stating that Seller declines to attempt to cure any of the Objections, then Buyer will have the option, within five (5) business days after the end of said thirty (30) day period or receipt of said written notice from Seller, as its sole right and remedy, to either (i) terminate this Agreement in which event neither party shall have any further obligations to the other hereunder except under provisions of this Agreement which specifically state that they survive termination or (ii) waive the Objections (and the Buyer's Condition Precedent described in Section 5(b) of this Agreement) and proceed to Closing. Notwithstanding anything to the contrary contained herein, Seller shall be obligated to remove from title on or before Closing any monetary liens affecting the Property (other than monetary liens resulting from Buyer's acts).

(d) As-Is Sale. Except as otherwise expressly set forth in Section 9 and Section 15 of this Agreement and any of the documents delivered by Seller at Closing, neither Seller nor its directors, officers, employees, agents, representatives or attorneys (collectively, the "Seller Parties") or contractors have made any representations, guaranties, promises, statements, assurances or warranties, express or implied, to Buyer including, without limitation, any pertaining to the suitability, habitability or merchantability or fitness of the Property for Buyer's intended use or for any use whatsoever, the physical or environmental condition thereof, the expenses of operating the Unit, the condition of title thereto, the truth, accuracy or completeness of the Due Diligence Materials, or as to any other past, present or future matter whatsoever. Buyer acknowledges and agrees that it has satisfied itself regarding the condition of the Property and the foregoing matters, and, except as otherwise provided in this Section 4(d), that the Property will be purchased in its "AS IS" condition and "WITH ALL FAULTS" on the Closing Date and that Buyer assumes the risk that adverse physical, environmental, economic or legal conditions may not have been revealed by its investigation.

(e) Buyer's Release. Except with respect to any claims arising out of any breach of covenants, representations or warranties set forth in this Agreement or in the documents delivered by Seller at Closing or the breach of any covenants in that certain Office Lease (the "Lease") between Seller, as landlord, and Buyer, as tenant, which by their terms survive the termination of the Lease, Buyer, for itself and its agents, affiliates, successors and assigns, hereby releases and forever discharges Seller, its agents, affiliates, successors and assigns from any and all rights, claims and demands at law or in equity, whether known or unknown at the time of this agreement, which Buyer has or may have in the future, arising out of

the physical, environmental, economic or legal condition of the Property. Buyer hereby specifically waives the provisions of section 1542 of the California Civil Code ("Section 1542") and any similar law of any other state, territory or jurisdiction. Section 1542 provides:

A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.

Buyer hereby specifically acknowledges that Buyer has carefully reviewed this subsection and discussed its import with legal counsel and that the provisions of this subsection are a material part of this Agreement.

\_\_\_\_\_  
Buyer Initials

5. Buyer's Conditions Precedent to Closing. The following are conditions precedent to Buyer's obligation to purchase the Property (the "Buyer's Conditions Precedent"). Buyer's Conditions Precedent are intended solely for the benefit of Buyer and may be waived only by Buyer in writing. In the event any Buyer's Condition Precedent is not satisfied, Buyer may, in its sole and absolute discretion and without limiting any of its other rights and remedies under this Agreement, at law or in equity, terminate this Agreement.

(a) Property Condition. Buyer's inspection, review and approval, prior to expiration of the Inspection Period, of the Due Diligence Materials, including, without limitation, the Preliminary Report and the Environmental Documents, which approval shall be deemed given unless Buyer shall give written notice of disapproval prior to the expiration of the Inspection Period;

(b) Title Insurance. Title Company shall be irrevocably and unconditionally committed to issue to Buyer upon the Closing an ALTA owner's policy of title insurance (2006) in the amount of the Purchase Price, insuring fee simple title to the Property in Buyer, subject only to the Permitted Exceptions and such other exceptions as Buyer shall have approved in writing prior to Closing and containing such endorsements as are approved by the Title Company during the Inspection Period (the "Title Policy").

(c) Performance by Seller. Seller shall have complied, in all material respects, with all of Seller's duties and obligations contained in this Agreement and all of Seller's representations and warranties contained in or made pursuant to this Agreement shall have been true and correct, in all material respects, when made and shall remain true and correct, in all material respects, as of the Closing Date.

6. Seller's Conditions Precedent to Closing. The following are conditions precedent to Seller's obligation to sell the Property (the "Seller's Conditions Precedent"). Seller's Conditions Precedent are intended solely for the benefit of Seller and may be waived only by Seller in writing. In the event any Seller's Condition Precedent is not satisfied, Seller may, in its sole and absolute discretion and without limiting any of its other rights and remedies under this Agreement, at law or in equity, terminate this Agreement.

(a) Recordation of Condominium Map. A condominium map establishing the Unit as a separate legal parcel shall have been recorded.

(b) Performance by Buyer. Buyer shall have complied, in all material respects, with all of Buyer's duties and obligations contained in this Agreement and all of Buyer's representations and warranties contained in or made pursuant to this Agreement shall have been true and correct, in all material respects, when made and shall remain true and correct, in all material respects, as of the Closing Date.

7. Escrow; Closing.

(a) Escrow. Upon mutual execution of this Agreement, the parties hereto shall deposit a fully executed copy of this Agreement with \_\_\_\_\_ Title Company \_\_\_\_\_, San Francisco, California \_\_\_\_\_; Escrow Officer: \_\_\_\_\_) (hereinafter "Title Company" or "Escrow Holder") and this Agreement shall serve as instructions to Escrow Holder for consummation of the purchase contemplated hereby. Seller and Buyer shall execute such supplemental escrow instructions as may be appropriate to enable Escrow Holder to comply with the terms of this Agreement, provided such supplemental escrow instructions are not in conflict with this Agreement as it may be amended in writing from time to time. In the event of any conflict between the provisions of this Agreement and any supplementary escrow instructions signed by Buyer and/or Seller, the terms of this Agreement shall control.

(b) Closing. The parties intend for the consummation of the sale of the Property as provided hereunder (the "Closing") to take place through escrow on the date that is ten (10) business days after the expiration of the Inspection Period, or on such earlier date as may be agreed to by Seller and Buyer (the "Closing Date").

(c) Seller's Closing Deliveries. On or before the last business day immediately preceding the Closing Date, Seller shall deliver to Escrow Holder the following:

(i) Deed. A duly executed and acknowledged grant deed in the form attached to this Agreement as Exhibit B (the "Deed");

(ii) Bill of Sale. Two (2) duly executed counterpart originals of a bill of sale with respect to the Personal Property in the form attached to this Agreement as Exhibit C (the "Bill of Sale");

(iii) Assignment and Assumption of Intangible Property. Two (2) duly executed counterpart originals of an assignment and assumption of intangible property in the form attached to this Agreement as Exhibit D (the "Assignment"); and

(iv) Seller's Certificate. A duly executed Certificate confirming the continued truth and accuracy as of the Closing Date of the representations and warranties set forth in Section 9, except as otherwise may be set forth in the Certificate.

(d) Buyer's Closing Deliveries. On or before the last business day immediately preceding the Closing Date, Buyer shall deliver to Escrow Holder the following:

(i) Bill of Sale. Two (2) duly executed counterpart originals of the Bill of Sale;

(ii) Assignment and Assumption of Intangible Property. Two (2) duly executed counterpart originals of the Assignment;

(iii) Preliminary Change of Ownership Report. A duly executed and original preliminary change of ownership report (if required); and

(iv) Purchase Price. Immediately available funds in the amount of the Purchase Price plus Buyer's share of Closing Costs.

(e) Additional Closing Documents. Seller and Buyer shall each deposit such other instruments as are reasonably required by Escrow Holder or otherwise required to close the escrow and consummate the purchase of the Property in accordance with the terms hereof.

8. Closing Costs and Prorations. Seller and Buyer agree to the following prorations and allocation of costs ("Closing Costs") regarding this Agreement:

(a) Real Estate Taxes Assessments. Buyer and Seller are each governmental entities and are not subject to real property taxes. In the event there are any assessments which attach to governmentally owned real property, such assessments shall be prorated and adjusted between Seller and Buyer as of the Closing Date so that Seller shall pay, or give Buyer credit for, any such assessments that accrued on or prior to the Closing Date and Buyer shall pay, or assume, any such assessments that accrue after the Closing Date. The obligations of Buyer and Seller set forth in this Section 8(a) shall survive the Closing.

(b) Property Expenses. There shall be no proration at Closing of utilities and Common Area assessments for the Unit, which have been paid by Buyer under the terms of the Lease and shall continue to be paid by Buyer after Closing. Any other operating expenses attributable to the Unit shall be prorated and adjusted between Buyer and Seller as of the Closing Date.

(c) Title Insurance and Escrow Fee. Seller shall pay the premium attributable to the Title Policy and any reasonable and customary escrow fee or charge imposed by Escrow Holder.

(d) Recording Costs. Seller shall pay the cost of recording the Deed and all other documents, if any, recorded pursuant to the terms of this Agreement.

(e) Transfer Taxes. No governmental documentary transfer or transaction taxes or fees shall be payable in connection with this transaction because both Buyer and Seller are exempt governmental entities.

The provisions of this Section 8 shall survive the Closing.

9. Representations and Warranties of Seller. Seller hereby represents and warrants to Buyer as follows:

(a) Power and Authority. Seller has the power and authority (i) to enter into this Agreement and all of the documents to be executed and delivered by Seller to Buyer at the Closing, (ii) to perform its obligations under this Agreement and under the documents to be executed and delivered by Seller to Buyer at the Closing and (iii) to complete the transaction contemplated by this Agreement. Seller has taken all governmental action necessary to authorize (A) the execution and delivery of this Agreement and all of the documents to be executed and delivered by Seller to Buyer at the Closing, (B) the performance by Seller of its obligations under this Agreement and under the documents to be executed and delivered by Seller to Buyer at the Closing and (C) the completion of the transaction contemplated by this Agreement.

(b) Binding and Enforceable. This Agreement and all of the documents to be executed and delivered by Seller to Buyer at the Closing have been duly executed and delivered by Seller and constitute valid and binding obligations of Seller.

(c) No Conflict. The execution and delivery of this Agreement and all of the documents to be executed and delivered by Seller to Buyer at the Closing and the performance by Seller of its obligations under this Agreement and under the documents to be executed and delivered by Seller to Buyer at the Closing and the completion of the transaction contemplated by this Agreement will not result in (i) a breach of, or a default under, any contract, agreement, commitment or other document or instrument to which Seller is party or by which Seller is bound or (ii) a violation of any law, ordinance, regulation or rule of any governmental authority applicable to Seller or any judgment, order or decree of any court or governmental authority that is binding on Seller.

(d) Ownership. Seller has not granted any option or right of first refusal or first opportunity to any other party to acquire any interest in any of the Property.

(e) Actions. To Seller's knowledge, except for the on-going discussions with the San Francisco Planning Department concerning the current zoning of the Real Property, (i) there are no condemnation, zoning or other land-use regulation proceedings, either instituted or planned to be instituted, which would materially and adversely affect the use, operation or value of the Property, (ii) there are no special assessment proceedings affecting the Property, (iii) there is no litigation pending or threatened in writing against Seller arising out of the ownership or operation of the Property or that might detrimentally affect the Property or the ability of Seller to perform its obligations under this Agreement. Seller shall notify Buyer promptly of any such proceedings or litigation of which Seller becomes aware, and (iv) Seller has received no written notice from any governmental entity that the Property is in violation of any applicable laws, ordinances or regulations.

(f) Contracts for Improvements and Other Encumbrances. To Seller's knowledge, other than possible construction contract retentions for which funds have been reserved by Seller, at the time of Closing there will be no outstanding written or oral contracts made by Seller for any improvements to the Property which have not been fully paid for and, except as set forth in the Preliminary Report, there are no existing or proposed easements, covenants, restrictions, agreements or other documents which affect title to the Property and which were not disclosed in writing to Buyer prior to the date of this Agreement.

(g) Hazardous Materials. To Seller's knowledge and except as set forth in the Due Diligence Materials, there has been no release, storage, treatment, generation or disposal of Hazardous Materials by Seller, or any other party during Seller's ownership of the Property, on, under or from the Property in violation of any applicable laws, ordinances or regulations. For purposes of this Agreement, the term "Hazardous Materials" shall mean any toxic or hazardous waste, material or substance, including, without limitation, asbestos, petroleum, petroleum products, underground storage tanks now or previously containing any other Hazardous Materials, substances defined as "hazardous substances", "hazardous waste" or "toxic substances" in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. Sec. 9601, et seq.; Hazardous Materials Transportation Act, 49 U.S.C. Sec. 1801; and Resource Conservation and Recovery Act, 42 U.S.C. Sec. 6901 et seq.; and other substances defined as hazardous waste and hazardous substances in applicable state or local laws and/or in any regulations and publications promulgated pursuant to said laws.

10. Representations and Warranties of Buyer. Buyer hereby represents and warrants to Seller as follows:

(a) Power and Authority. Buyer has the power and authority (i) to enter into this Agreement and all of the documents to be executed and delivered by Buyer to Seller at the Closing, (ii) to perform its obligations under this Agreement and under the documents to be executed and delivered by Buyer to Seller at the Closing and (iii) to complete the transaction contemplated by this Agreement. Buyer has taken all governmental action necessary to authorize (A) the execution and delivery of this Agreement and the documents to be executed and delivered by Buyer to Seller at the Closing, (B) the performance by Buyer of its obligations under this Agreement and under the documents to be executed and delivered by Buyer to Seller at the Closing and (C) the completion of the transaction contemplated by this Agreement.

(b) Binding and Enforceable. This Agreement and all of the documents to be executed and delivered by Buyer to Seller at the Closing have been duly executed and delivered by Buyer and constitute valid and binding obligations of Buyer.

(c) No Conflict. The execution and delivery of this Agreement and all of the documents to be executed and delivered by Buyer to Seller at the Closing and the performance by Buyer of its obligations under this Agreement and under the documents to be executed and delivered by Buyer to Seller at the Closing and the completion of the transaction contemplated by this Agreement will not result in (i) a breach of, or a default under, any contract, agreement, commitment or other document or instrument to which Buyer is party or by which Buyer is bound or (ii) a violation of any law, ordinance, regulation or rule of any governmental authority applicable to Buyer or any judgment, order or decree of any court or governmental authority that is binding on Buyer.

(d) Buyer's Investigation. Buyer has examined, inspected and conducted its own investigation of all matters with respect to the physical and environmental condition of the Property, permissible uses, zoning, covenants, conditions and restrictions and all other matters which in Buyer's judgment bear upon the value and suitability of the Property for Buyer's purposes. Buyer acknowledges that, except as otherwise provided herein, Seller has not made any representation of any kind in connection with soils, environmental or physical conditions on,

or bearing on, the use of the Property, and Buyer is relying solely on Buyer's own inspection and examination of such items and not on any representation of Seller.

11. Survival. All representations and warranties by the respective parties contained herein or made in writing pursuant to this Agreement are intended to and shall be deemed made as of the date of this Agreement or such writing and shall survive the execution and delivery of this Agreement, the Deed and the Closing, provided that the representations and warranties set forth in Section 9(d) through (g) shall survive the Closing only for a period of nine (9) months following the Closing Date and, if no claim is made in writing within such period, shall expire and be of no further force and effect.

12. Casualty or Condemnation.

(a) In the event any of the Property is damaged and/or destroyed by fire or other casualty prior to the Closing, and the cost to repair and/or restore such damage and/or destruction exceeds Fifty Million Dollars (\$50,000,000), then Buyer shall have the right to terminate this Agreement by written notice to Seller within five (5) business days after Buyer has received written notice from Seller of the occurrence of such casualty and the cost of such repair and/or restoration. In the event of any such termination, Buyer and Seller shall each be liable for one-half of any escrow fees or charges, and neither party shall have any further liability or obligation under this Agreement.

(b) In the event any of the Property is damaged and/or destroyed by fire or other casualty prior to the Closing where (i) the cost to repair and/or restore such damage and/or destruction does not exceed Fifty Million Dollars (\$50,000,000), or (ii) the cost to repair and/or restore such damage and/or destruction exceeds Fifty Million Dollars (\$50,000,000) but this Agreement is not terminated pursuant to Section 12(a) above as a result thereof, then the Closing shall occur as scheduled notwithstanding such damage; provided, however, that Seller shall be obligated, at its cost, to restore or repair the Unit to its prior condition and shall retain its interest in all insurance proceeds payable in connection with such damage or destruction. Seller's obligations pursuant to the immediately preceding sentence shall survive the Closing.

(c) In the event a governmental entity commences eminent domain proceedings (or threatens in writing to commence such proceedings) to take any portion of the Unit or any other portion of the building in which it is located which would impair Buyer's use of the Unit after the date hereof and prior to the Closing, then Buyer shall have the option to terminate this Agreement by written notice to Seller within five (5) business days after Buyer has received written notice from Seller of the occurrence of such commencement or threatened commencement. In the event of any such termination, Buyer and Seller shall each be liable for one-half of any escrow fees or charges, and neither party shall have any further liability or obligation under this Agreement.

(d) In the event a governmental entity commences any such eminent domain proceedings after the date hereof and prior to the Closing and this Agreement is not terminated pursuant to Section 13(c) above as a result thereof, then the Closing shall occur as scheduled notwithstanding such proceeding; provided, however, that Seller's interest in all awards arising out of such proceedings which are attributable to the taking of any portion of the Unit shall be

assigned to Buyer as of the Closing or credited to Buyer if previously received by Seller. Seller's obligations pursuant to the immediately preceding sentence shall survive the Closing.

13. Seller Covenants.

(a) Continued Operation of the Property. Between Seller's execution of this Agreement and the Closing, Seller shall cause the Property to be operated and maintained in substantially the condition existing upon the date of this Agreement. Prior to the Closing, Seller may not materially alter the Property in any way without Buyer's prior written authorization.

(b) Condominium Map. Seller shall, at Seller's cost, file all applications and take all other actions necessary to obtain all required approvals of a condominium map establishing the Unit as a separate legal parcel and shall cause the condominium map to be recorded in the Official Records of the City and County of San Francisco as expeditiously as is commercial reasonable.

14. Brokers. Each party hereby agrees to indemnify, protect and defend the other (by counsel reasonably acceptable to the party seeking indemnification) against and hold the other harmless from and against any and all loss, damage, liability or expense, including costs and reasonable attorneys' fees, resulting from any claims for a real estate commission, finders fee or other real estate brokerage-type compensation by any person or entity based upon the acts of that party with respect to the transaction contemplated by this Agreement. The obligations of Buyer and Seller under this Section 14 shall survive the Closing.

15. Hazardous Materials Indemnity. Seller shall indemnify, defend and hold harmless Buyer from any Repair and Remediation Costs (as defined below) arising from the release, treatment, use, generation, storage or disposal by Seller or any of its employees, agents or contractors of Hazardous Materials on, under or from the Unit occurring prior to the Closing. As used herein the term "Repair and Remediation Costs" means the cost of any required or necessary remediation or removal of Hazardous Materials from the Unit, any cost of repair of the Unit necessitated by the remediation or removal of Hazardous Materials from the Unit and the costs of any testing, sampling or other investigations or preparation of remediation or other required plans undertaken in connection with the remediation or removal of Hazardous Materials from the Unit. The indemnification obligations set forth in this Section 15 shall survive the Closing. Seller expressly preserves its rights against other parties, and does not release or waive its rights to contribution, against any other party.

16. Miscellaneous.

(a) Notices. Any and all notices, elections, approvals, consents, demands, requests and responses ("Notice") permitted or required to be given under this Agreement shall be given in writing, signed by or on behalf of the party giving the same, and sent by certified or registered mail, postage prepaid, return receipt requested, or by hand delivery or overnight courier service (such as Federal Express), to the party to be notified at the address of such party set forth below or at such other address within the continental United States as such other party may designate by notice specifically designated as a notice of change of address and given in accordance with this Section 16(a). Any Notice shall be effective upon receipt but if attempted

delivery is refused or rejected, the date of refusal or rejection shall be deemed the date of receipt. Notices sent by telecopy shall be effective only if also sent by nationally recognized express overnight courier service for delivery within two (2) business days.

If to Buyer: Bay Area Air Quality Management District  
390 Main Street, Suite \_\_\_\_\_  
San Francisco, CA 94105  
Attn: \_\_\_\_\_  
Tel: \_\_\_\_\_  
Fax: \_\_\_\_\_

With a copy to:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attn: \_\_\_\_\_  
Tel: \_\_\_\_\_  
Fax: \_\_\_\_\_

If to Seller: Bay Area Headquarters Authority  
390 Main Street, Suite \_\_\_\_\_  
San Francisco, CA 94105  
Attn: Executive Director  
Tel: \_\_\_\_\_  
Fax: \_\_\_\_\_

with a copy to:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attn: \_\_\_\_\_  
Tel: \_\_\_\_\_  
Fax: \_\_\_\_\_

If to Escrow Holder: \_\_\_\_\_  
\_\_\_\_\_  
San Francisco, California \_\_\_\_\_  
Attn: \_\_\_\_\_

(b) Successors and Assigns. Subject to the provisions hereof, this Agreement shall be binding upon the successors and assigns of Seller and Buyer. The parties acknowledge that the right to purchase the Property pursuant to the terms of this Agreement is personal to the Bay Area Air Quality Management District or any successor governmental agency performing the same functions, and Buyer's rights hereunder may not otherwise be assigned without the prior

written consent of Seller, which may be withheld in Seller's sole discretion. Any assignment in violation of this Section 18(b) shall be void.

(c) Attorneys' Fees. In the event of any litigation or other proceeding to enforce the provisions of this Agreement or to resolve any dispute arising as a result of or by reason of this Agreement, the prevailing party in any such litigation or other proceeding shall be entitled to, in addition to any other damages assessed, its or his reasonable attorneys' fees and all other costs and expenses incurred in connection with such litigation or other proceeding.

(d) Amendments. This Agreement may be amended or modified only by a written instrument executed by Seller and Buyer.

(e) Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

(f) Schedules and Exhibits. Each of the schedules and exhibits attached hereto is an integral part of this Agreement and is incorporated herein by this reference.

(g) Entire Agreement. This Agreement, the exhibits hereto and the Lease constitute the entire agreement between the parties and supersede all prior agreements and understandings between the parties relating to the subject matter hereof, including, without limitation, any letters of intent previously executed or submitted by either or both of the parties hereto, which shall be of no further force or effect upon execution of this Agreement.

(h) Captions. The Section headings or captions appearing in this Agreement are for convenience only, are not a part of this Agreement and are not to be considered in interpreting this Agreement.

(i) Time of the Essence. Time is of the essence of this Agreement. As used in this Agreement, a "business day" shall mean a day which is not a Saturday, Sunday or recognized federal or state holiday. If the last date for performance by either party under this Agreement occurs on a day which is not a business day, then the last date for such performance shall be extended to the next occurring business day.

(j) Severability. If any provision of this Agreement, or the application thereof to any person, place, or circumstance, shall be held by a court of competent jurisdiction to be invalid, unenforceable or void, the remainder of this Agreement and such provisions as applied to other persons, places and circumstances shall remain in full force and effect.

(k) Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but any number of which, taken together, shall be deemed to constitute one and the same instrument.

*[Signature Page to Follow]*

IN WITNESS WHEREOF, the parties hereto have executed this Purchase and Sale Agreement and Joint Escrow Instructions as of the date first above written.

BUYER:

SELLER:

BAY AREA AIR QUALITY  
MANAGEMENT DISTRICT

BAY AREA HEADQUARTERS  
AUTHORITY

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: Executive Director

Approved as to form:

\_\_\_\_\_  
General Counsel

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: Treasurer-Auditor

Approved as to form:

\_\_\_\_\_  
General Counsel

EXHIBIT A

DESCRIPTION OF REAL PROPERTY

The real property referred to herein below is situated in the City and County of San Francisco, State of California, and is described as follows:

APN:

EXHIBIT B

FORM OF DEED

RECORDING REQUESTED BY  
AND WHEN RECORDED MAIL TO:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Attn: \_\_\_\_\_

APN: \_\_\_\_\_

THIS SPACE ABOVE FOR RECORDER'S USE

Pursuant to Section 11922 of the Revenue and Taxation Code, no transfer tax will is due and owing.

**GRANT DEED**

FOR VALUABLE CONSIDERATION, the receipt and sufficiency of which are hereby acknowledged, BAY AREA HEADQUARTERS AUTHORITY, a joint powers authority established pursuant to the California Joint Exercise of Powers Act ("Grantor"), hereby grants, transfers and assigns to BAY AREA AIR QUALITY MANAGEMENT DISTRICT, a regional air pollution control agency ("Grantee"), that certain real property located in the City and County of San Francisco, State of California and which is more particularly described in Exhibit A, attached hereto and incorporated herein by this reference, together with all rights, privileges, easements and appurtenances pertaining thereto.

IN WITNESS WHEREOF, Grantor has executed this Grant Deed, to be effective as of this \_\_\_ day of \_\_\_\_\_, 20\_\_.

"GRANTOR"

BAY AREA HEADQUARTERS AUTHORITY, a  
joint powers authority established pursuant to the  
California Joint Exercise of Powers Act

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_



Draft dated 3/26/12

Exhibit A to Grant Deed

Description of Real Property

[to be attached]

EXHIBIT C

FORM OF BILL OF SALE

This BILL OF SALE is made and entered into to be effective as of the \_\_\_\_ day of \_\_\_\_\_, 20\_\_, by and between BAY AREA HEADQUARTERS AUTHORITY ("Seller") and BAY AREA AIR QUALITY MANAGEMENT DISTRICT ("Buyer").

WHEREAS, Seller and Buyer are parties to that certain Purchase and Sale Agreement and Joint Escrow Instructions dated \_\_\_\_\_, 20\_\_ (the "Agreement"), pursuant to which Seller agreed to sell to Buyer and Buyer agreed to purchase from Seller an office condominium unit located at 390 Main Street, Suite \_\_\_\_, in the City and County of San Francisco, State of California, all as more particularly described in the Agreement.

WHEREAS, pursuant to the Agreement, Seller is to convey to Buyer certain office furnishings, equipment and other personal property (collectively, the "Personal Property").

NOW, THEREFORE, in consideration of Buyer entering into the Agreement and for other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Seller hereby sells, transfers, conveys and assigns all of Seller's right, title and interest in and to the Personal Property, to have and to hold the Personal Property unto the Buyer and its successors and assigns forever.

**EXCEPT FOR ANY EXPRESS REPRESENTATIONS OR WARRANTIES SET FORTH IN THE AGREEMENT, SELLER EXPRESSLY DISCLAIMS ALL WARRANTIES, EXPRESS, IMPLIED OR STATUTORY, REGARDING THE ABOVE-DESCRIBED PERSONAL PROPERTY, INCLUDING, WITHOUT LIMITATION, ANY WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR ENVIRONMENTAL CONDITION, AND BUYER ACCEPTS THE ABOVE-DESCRIBED PROPERTY IN AN "AS IS - WHERE IS" CONDITION, WITH ALL FAULTS.**

IN WITNESS WHEREOF, the undersigned has executed this Bill of Sale as of the date first written above.

BUYER:

SELLER:

BAY AREA AIR QUALITY  
MANAGEMENT DISTRICT

BAY AREA HEADQUARTERS  
AUTHORITY

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

EXHIBIT D

FORM OF ASSIGNMENT

ASSIGNMENT AND ASSUMPTION OF INTANGIBLE PROPERTY [AND CONTRACTS]

This ASSIGNMENT AND ASSUMPTION OF INTANGIBLE PERSONAL PROPERTY [AND CONTRACTS] (this "Assignment") is made and entered into to be effective as of the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between BAY AREA HEADQUARTERS AUTHORITY ("Assignor") and BAY AREA AIR QUALITY MANAGEMENT DISTRICT ("Assignee").

WHEREAS, Assignor and Assignee are parties to that certain Purchase and Sale Agreement and Joint Escrow Instructions dated \_\_\_\_\_, 20\_\_ (the "Agreement"), pursuant to which Assignor agreed to sell to Assignee and Assignee agreed to purchase from Assignor an office condominium unit located at 390 Main Street, Suite \_\_\_\_, in the City and County of San Francisco, State of California, all as more particularly described in the Agreement (the "Real Property"). Capitalized terms used but not defined herein shall have the meaning given such terms in the Agreement.

WHEREAS, pursuant to the Agreement, Assignor is to convey to Assignee certain Intangible Property relating to the Real Property.

**[WHEREAS, pursuant to the Agreement, Assignor is to assign its interest in certain service agreements, maintenance agreements and other contracts relating to the Real Property which agreements and contracts are listed in Schedule 1 attached hereto (collectively, the "Contracts").]**

NOW, THEREFORE, in consideration of Assignee entering into the Agreement and for other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Assignee and Assignor hereby agree as follows:

1. Intangible Property. Assignor hereby grants, conveys, transfers and assigns to Assignee all of Assignor's right, title and interest in and to the Intangible Property.

2. Contracts. **[TO BE DELETED IF NO CONTRACTS]**

(a) Assignor hereby grants, conveys, transfers and assigns to Assignee all of Assignor's right, title and interest in and to the Contracts. Assignor agrees to indemnify, defend, protect and hold Assignee harmless from and against any and all liability, loss, cost, damage and expense (including without limitation, attorneys' and paralegals' fees and costs) asserted against, incurred or suffered by Assignee relating to obligations with respect to the Contracts to be performed prior to the date hereof.

(b) Assignee shall perform or cause to be performed Assignors' obligations, if any, under the Contracts from and after the date of this Assignment, and agrees to indemnify, defend, protect and hold Assignor harmless from and against any and all liability, loss, cost, damage and expense (including, without limitation, attorneys' and paralegals' fees and costs)

asserted against, incurred or suffered by Assignor relating to obligations with respect to the Contracts to be performed after the date hereof. Assignors agrees to indemnify, defend, protect and hold Assignee harmless from and against any and all liability, loss, cost, damage and expense (including without limitation, attorneys' and paralegals' fees and costs) asserted against, incurred or suffered by Assignee relating to obligations with respect to the Leases and Contracts to be performed before the date hereof.

3. Further Actions. Each of Assignor and Assignee hereby covenants that it will, at any time and from time to time upon written request therefor, execute and deliver to the other, its nominees, successors and/or assigns, any new or confirmatory instruments and do and perform any other acts which the other, its successors and/or assigns, may reasonably request in order to fully assign and transfer to and vest in Assignee, its nominees, successors and/or assigns, and protect its and/or their rights, title and interest in and enjoyment of, all of the assets of Assignor intended to be transferred and assigned hereby, or to enable Assignee, its successors and/or assigns, to realize upon or otherwise enjoy any such assets, or to effect the allocation of responsibility for performance under the Contracts.

4. Miscellaneous. The provisions of this Assignment shall be binding upon and inure to the benefit of Assignor, Assignee and their successors and assigns. This Assignment may be executed in any number of counterparts, each of which shall be deemed to be an original, but any number of which, taken together, shall be deemed to constitute one and the same instrument.

IN WITNESS WHEREOF, the undersigned have executed this Assignment and Assumption of Intangible Property [and Contracts] as of the date first written above.

ASSIGNEE:

ASSIGNOR:

BAY AREA AIR QUALITY  
MANAGEMENT DISTRICT

BAY AREA HEADQUARTERS  
AUTHORITY

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

Schedule 1 to Assignment

List of Contracts

[to be attached]