

## SECOND AMENDMENT TO LEASE

THIS SECOND AMENDMENT TO LEASE (this "**Amendment**") is made as of March 1, 2026, in San Francisco, California, by and between K LW Investments, LLC, a California limited liability company ("**Landlord**"), and the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation ("**City**" or "**Tenant**").

### RECITALS

THIS AMENDMENT is made with reference to the following facts and circumstances:

A. City and Landlord have previously entered into that certain lease between Landlord and City, dated June 23, 2015 (the "**Initial Lease**"), as amended by that certain First Amendment to Lease, dated as of May 3, 2020 (the "**First Amendment**", and together with the Initial Lease, the "**Lease**"), for the lease of the Premises located at 3119, 3125 and 3127 Mission Street, in Assessor's Parcel Number 6574-069, San Francisco, California.

B. Landlord has leased to City the premises in the building identified in the Basic Lease Information of the Lease (the "**Premises**"). City is using the Premises for public programs, general offices and such other uses as specified in the Basic Lease Information.

C. The Term of the Lease, as extended by the First Amendment, expired on June 30, 2025, and City is currently occupying the Premises, with Landlord's consent, on a month-to-month basis at the same base rent in effect during the last year of the term under the First Amendment, or \$42,814.38 per month. Landlord acknowledges receipt of City's rent payments as set forth herein.

D. City and Landlord now desire to enter into this Amendment to extend the Term of the Lease to September 30, 2030, and amend the Lease on the terms and conditions as set forth herein. Capitalized terms used but not defined in this Amendment shall have the meanings set forth in the Lease.

ACCORDINGLY, in consideration of the foregoing Recitals, which are incorporated into this Amendment by this reference, the mutual promises and obligations of the parties contained in this Amendment, and for other good and valuable consideration, the receipt and sufficiency of which are mutually acknowledged, City and Landlord agree as follows:

**1. Extension of the Term.** City and Landlord agree to extend the Term of the Lease through September 30, 2030, unless sooner terminated pursuant to the terms of the Lease. From and after the Effective Date (as defined in Section 14), all references in the Lease and this Amendment to the "**Term**" shall refer to the Term, as extended hereby.

**2. Premises As Is.** Subject to Landlord's obligation to complete the Leasehold Improvements in accordance with Exhibit A and the provisions of Section 4 of this Amendment, City agrees and acknowledges that City accepts the Premises in their "AS IS", "WHERE IS" "WITH ALL FAULTS" condition as they are as of the Effective Date, neither Landlord nor its Agents have made any representations or warranties as to the condition of the Premises, the suitability of the Premises for Tenant's intended use, or whether or not the Premises comply with applicable requirements.

### 3. Rent

#### 3.1 Base Rent

As of the Effective Date, the monthly Base Rent shall be paid in conformance with the Monthly Base Rent Schedule in Section 4 of this Amendment and all references in the Lease to the Base Rent shall mean the Base Rent as amended hereby.

#### 3.2 Rent Credit

Tenant shall receive a credit against Base Rent due after the Effective Date in an amount of \$8,635.63 per month (which amount is equal to the difference in Base Rent paid during the last year of the term of the First Amendment and the monthly Base Rent due pursuant to this Amendment) for the period from September 15, 2025 to the Effective Date. For ease of reference, if the Estimated Effective Date of March 1, 2026 is also the Effective Date, the total Rent Credit due to Tenant will be \$47,495.97. For every month of delay in the Effective Date, the Rent Credit will be increased by \$8,635.63, subject to the terms of Section 14.

City has the right, but not the obligation, to apply the Rent Credit, in part or total, to any amounts due by the City under the lease between the City and Landlord for the premises located at 3120 Mission Street and 3425 Cesar Chavez Street.

### 4. Amendment to Basic Lease Information.

As of the Effective Date, the following subsections in Section 1 (Basic Lease Information) of the Lease are hereby amended and restated in their entirety to read as follows:

Initial Term (Section 3):

Commencement Date: July 1, 2015

Estimated Second Amendment Effective Date:  
March 1, 2026

Expiration Date: September 30, 2030

Additional Extension Option (Section 3.3):

City shall have an option to extend the Term for one (1) additional term of five (5) years, exercisable by City providing notice to Landlord not less than one hundred eighty (180) calendar days and no more than two hundred seventy (270) calendar days prior to the expiration of the Term (the "**Extended Term**") under the terms and conditions of Section 3.3 and Section 4.4 of the Initial Lease, except that the number of days for notice shall be as stated in this subsection above.

Monthly Base Rent (Section 4; Section 3 of Amendment): Subject to the Rent Credit,

Second Amendment Effective Date – February 28, 2027:	\$34,178.75 per month
March 1, 2027 – February 29, 2028:	\$35,204.11 per month
March 1, 2028 – February 28, 2029:	\$36,260.24 per month
March 1, 2029 – February 28, 2030:	\$37,348.04 per month
March 1, 2030 – September 30, 2030:	\$38,468.48 per month

**5. Non-Discrimination in City Contracts and Benefits Ordinance.** Section 22.25 of the Initial Lease is deleted in its entirety and replaced with the following language:

(a) **Covenant Not to Discriminate.** In the performance of this Lease, Landlord will not to discriminate against any employee of Landlord, any City employee working with Landlord, any applicant for employment with Landlord, or against any person seeking accommodations, advantages, facilities, privileges, services, or membership in all business, social, or other establishments or organizations on the basis of the fact or perception of a person’s race, color, creed, religion, national origin, ancestry, age, height, weight, sex, sexual orientation, gender identity, domestic partner status, marital status, disability or Acquired Immune Deficiency Syndrome or HIV status (AIDS/HIV status), or association with members of those protected classes, or in retaliation for opposition to discrimination against those classes.

(b) **Subcontracts.** Landlord will include in all subcontracts relating to the Premises a non-discrimination clause applicable to the subcontractor in substantially the form of subsection (a) above. In addition, Landlord will incorporate by reference in all subcontracts the provisions of Sections 131.2(a), 131.2(c)-(k), and (m) and Section 132.3 of the San Francisco Labor and Employment Code and require all subcontractors to comply with those provisions. Landlord’s failure to comply with the obligations in this subsection will constitute a material breach of this Lease.

(c) **Non-Discrimination in Benefits.** Landlord does not as of the date of this Lease, and will not during the Term, in any of its operations in San Francisco, on real property owned by City, or where the work is being performed for City or elsewhere within the United States, discriminate in the provision of bereavement leave, family medical leave, health benefits, membership or membership discounts, moving expenses, pension and retirement benefits, or travel benefits, as well as any benefits other than the benefits specified above, between employees with domestic partners and employees with spouses, and/or between the domestic partners and spouses of the employees, where the domestic partnership has been registered with a governmental entity under state or local law authorizing that registration, subject to the conditions set forth in Section 131.2(b) of the San Francisco Labor and Employment Code.

(d) **CMD Form.** As a condition to this Lease, Landlord will execute the City’s Declaration: Nondiscrimination in Contracts and Benefits form with supporting documentation and secure the approval of the form by the San Francisco Contract Monitoring Division (“CMD”). Landlord represents that before execution of the Lease: (i) Landlord executed and submitted to the CMD the required form with supporting documentation, and (ii) the CMD approved the form.

(e) Incorporation of Administrative Code Provisions by Reference. The provisions of Articles 131 and 132 of the San Francisco Labor and Employment Code relating to non-discrimination by parties contracting for the lease of property to City are incorporated in this Section by reference and made a part of this Lease as though fully set forth in this Lease. Landlord will comply fully with and be bound by all of the provisions that apply to this Lease under those Articles of the Labor and Employment Code, including the remedies provided in those Articles. Without limiting the foregoing, Landlord understands that under Sections 131.2(h) and 132.3(g) of the San Francisco Labor and Employment Code, a penalty of Fifty Dollars (\$50) for each person for each calendar day during which the person was discriminated against in violation of the provisions of this Lease may be assessed against Landlord and/or deducted from any payments due Landlord.

6. **Prevailing Wages and Working Conditions.** Section 22.24 of the Initial Lease is deleted in its entirety and replaced with the following language:

22.24. **Prevailing Wages and Working Conditions**

(a) Any undefined, initially-capitalized term used in this Section has the meaning given to that term in Section 101.1 of the San Francisco Labor and Employment Code. Landlord will require its Contractors and Subcontractors performing work on any Covered Project at the Premises to pay Prevailing Wages in accordance with the requirements of Article 103 of the San Francisco Labor and Employment Code and employ Apprentices in accordance with Article 104 of the San Francisco Labor and Employment Code. Any contract, subcontract, or other type of agreement for the performance of that Covered Project shall (A) require the payment of the highest general Prevailing Rate of Wages as fixed and determined in accordance with Section 103.2 of the San Francisco Labor and Employment Code to all persons performing labor or work for the Covered Project and employment of Apprentices in accordance with Section 104.1 of the San Francisco Labor and Employment Code, (B) require all records described in Section 103.3(e) of the San Francisco Labor and Employment Code to be kept and submitted in compliance with the requirements of that Section, (C) name City, affected workers, and employee organizations formally representing affected workers as third party beneficiaries for the limited purpose of enforcing the Prevailing Wage requirements of Article 103 of the San Francisco Labor and Employment Code and apprenticeship requirements of Article 104 of the San Francisco Labor and Employment Code, including the right to file charges and seek penalties against any Contractor or Subcontractor in accordance with Articles 103 through 106 of the San Francisco Labor and Employment Code, (D) include the Prevailing Rate of Wages or a statement that copies of the Prevailing Rate of Wages as fixed and determined in accordance with Section 103.2 of the San Francisco Labor and Employment Code are on file at the job site and available to any interested party on request, and (E) include the following provisions:

(i) the Contractor will cooperate fully with the Labor Standards Enforcement Officer and other City employees and agents authorized to assist in the administration and enforcement of the Prevailing Wage requirements and other labor standards imposed on the Contractor by City's Charter or Municipal Code;

(ii) the Contractor agrees that the Labor Standards Enforcement Officer, and the Officer's designees, in the performance of their duties, shall have the right to engage in random inspections of job sites and to have access to the employees of the Contractor, employee time sheets, inspection logs, Contractor daily logs, payroll records, employee paychecks, employee paystubs, and proof of payment documents;

(iii) the Contractor shall maintain a record in the format prescribed by the Office of Labor Standards Enforcement of sign-in and sign-out showing which employees have been present on the job site;

(iv) the Contractor shall prominently post at each job site a sign informing employees that the project is subject to the City's Prevailing Wage requirements and that these requirements are enforced by the Labor Standards Enforcement Officer; and

(v) the Labor Standards Enforcement Officer may audit such records of the Contractor or Subcontractor as the Labor Standards Enforcement Officer reasonably deems necessary to determine compliance with the Prevailing Wage and other labor standards imposed by City's Charter or Municipal Code.

Failure to comply with any of these requirements may result in penalties and forfeitures consistent with analogous provisions of the California Labor Code, including Section 1776(h), as amended from time to time.

(b) Landlord will reasonably cooperate with City in any action or proceeding against a Contractor or Subcontractor that fails to pay the Prevailing Rate of Wages or employ Apprentices as required. Landlord's failure to comply with its obligations under this Section will constitute a material breach of this Lease. A Contractor's or Subcontractor's failure to comply with this Section will enable City to seek the remedies specified in accordance with Articles 103 through 106 of the San Francisco Labor and Employment Code against the breaching party.

**7. Obligations Joint and Several.** All obligations of the parties comprising Landlord under the Lease shall be joint and several. For all purposes of this Amendment, Landlord shall be deemed one entity and Landlord shall have no defense or claim resulting from or relating to the fact that Landlord is comprised of more than one party.

**8. No Joint Venture.** This Amendment or any activity by City hereunder does not create a partnership or joint venture between City and Landlord relating to the Lease or otherwise. This Amendment does not constitute authorization or approval by City of any activity conducted by Landlord, and City shall in no way be responsible for the acts or omissions of Landlord on the Premises or otherwise.

**9. Governing Law.** This Amendment will be governed by, construed and enforced in accordance with the laws of the State of California and City's Charter. Any legal suit, action, or proceeding arising out of or relating to the Amendment shall be instituted in the Superior Court for the City and County of San Francisco, and each party agrees to the exclusive jurisdiction of such court in any such suit, action, or proceeding (excluding bankruptcy matters). The parties irrevocably and unconditionally waive any objection to the laying of venue of any suit, action, or proceeding in such court and irrevocably waive and agree not to plead or claim that any suit, action, or proceeding brought in San Francisco Superior Court relating to this Amendment or the Lease has been brought in an inconvenient forum.

**10. References.** No reference to this Amendment is necessary in any instrument or document at any time referring to the Lease. Any future reference to the Lease shall be deemed a reference to such document as amended hereby.

**11. Notification of Prohibition on Contributions.** By executing this Amendment, Landlord acknowledges its obligations under section 1.126 of City's Campaign and Governmental Conduct Code, which prohibits any person who leases, or seeks to lease, to or from any department of City any land or building from making any campaign contribution to **(a)** a City elected official if the lease must be approved by that official, **(b)** a candidate for that City elective office, or **(c)** a committee controlled by that elected official or a candidate for that office, at any time from the submission of a proposal for the lease until the later of either the termination of negotiations for the lease or twelve (12) months after the date City approves the lease.

Landlord acknowledges that the foregoing restriction applies only if the lease or a combination or series of leases or other contracts approved by the same individual or board in a fiscal year have a total anticipated or actual value of one Hundred Thousand Dollars (\$100,000) or more. Landlord further acknowledges that (i) the prohibition on contributions applies to each prospective party to the Lease; any person with an ownership interest of more than 10 percent (10%) in Landlord; any subcontractor listed in the Lease; and any committee that is sponsored or controlled by Landlord; and (ii) within thirty (30) days of the submission of a proposal for the Lease, the City department with whom Landlord is leasing is obligated to submit to the Ethics Commission the parties to the Lease and any subcontractor. Additionally, Landlord certifies that it has informed each such person of the limitation on contributions imposed by Section 1.126 by the time it submitted a proposal for the Lease, and has provided the names of the persons required to be informed to the City department with whom it is leasing.

**12. Landlord's Compliance with City Business and Tax and Regulations Code.**

Landlord acknowledges that under Section 6.10-2 of the San Francisco Business and Tax Regulations Code, the City Treasurer and Tax Collector may require the withholding of payments to any vendor that is delinquent in the payment of any amounts that the vendor is required to pay City under the San Francisco Business and Tax Regulations Code. If, under that authority, any payment City is required to make to Landlord under the Lease is withheld, then City will not be in breach or default under the Lease, and the Treasurer and Tax Collector will authorize release of any payments withheld under this paragraph to Landlord, without interest, late fees, penalties, or other charges, upon Landlord coming back into compliance with its San Francisco Business and Tax Regulations Code obligations.

**13. Further Instruments.** The parties hereto agree to execute such further instruments and to take such further actions as may be reasonably required to carry out the intent of this Amendment.

**14. Effective Date.** The “Effective Date” means the first day of the month following the date that (a) City’s Board of Supervisors and the Mayor, in their sole and absolute discretion, have adopted the Resolution approving this Amendment in accordance with all applicable legal requirements and (b) this Amendment is duly executed and delivered by the parties. If the Effective Date has not occurred by June 1, 2026, this Amendment shall be void and of no further force and effect, unless the parties mutually agree to further extend that date.

**15. Disability Access.** California Civil Code Section 1938 requires commercial landlords to disclose to tenants whether the property being leased has undergone inspection by a Certified Access Specialist (“CASp”) to determine whether the property meets all applicable construction-related accessibility requirements.

Landlord discloses (i) Landlord has not been issued a disability access inspection certificate as described in California Civil Code (“CC”) Section 55.53(e), (ii) pursuant to CC Section 1938, that Landlord has not ordered, performed, or caused to be performed, a Certified Access Specialist (“CASp”) inspection of the Premises (sometimes referred to as “premises” or “subject premises” for the herein disclosures), and (iii) Landlord makes the following statutory disclosure per CC Section 1938 (the required “CASp Disclosure”):

“A Certified Access Specialist (CASp) can inspect the subject premises and determine whether the subject premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the subject premises, the commercial property owner or lessor may not prohibit the lessee or tenant from obtaining a CASp inspection of the subject premises for

the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the premises.”

If City elects to obtain an inspection, City and Landlord will mutually agree on the arrangements for the time and manner of the CASp inspection. If City elects to obtain a CASp inspection, City shall be responsible, at its sole cost and expense, for the payment of the CASp inspection fee.

**16. No Brokers.** Neither party has had any contact or dealings regarding this Amendment, or any communication in connection therewith, through any licensed real estate broker or other person who could claim a right to a commission or finder’s fee in connection with this Amendment. If any broker or finder perfects a claim for a commission or finder’s fee based upon any such contact, dealings or communication, the party through whom the broker or finder makes its claim shall be responsible for such commission or fee and shall indemnify the other party from any and all claims or losses incurred by the indemnified party in defending against the same. The provisions of this Section shall survive any termination or nullification of this Amendment.

**17. Miscellaneous.** Except as expressly modified herein, the terms, covenants and conditions of the Lease shall remain unmodified and in full force and effect. The Lease as amended by this Amendment constitutes the entire agreement of the parties concerning the subject matter hereof, and supersedes and conceals any and all previous negotiations, agreements, or understandings, if any, regarding the matters contained herein. The execution of this Amendment shall not constitute a waiver or relinquishment of any rights which City may have relating to the Lease. Landlord and City hereby ratify and confirm all of the provisions of the Lease as amended by this Amendment. If there is any conflict between this Amendment and the Initial Lease, this Amendment shall control. If any one or more of the provisions in this Amendment is invalid, illegal or unenforceable in any respect, the remaining provisions contained herein shall not be affected in any way thereby. This Amendment may be executed in two or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument. This Amendment shall be governed, construed and enforced in accordance with the laws of the State of California and City's Charter. Time is of the essence with respect to all provisions of this Amendment in which a definite time for performance is specified. This Amendment shall be effective as of the Effective Date. Each party represents and certifies that the individual signing on behalf of such party is duly authorized to do so.

***[SIGNATURES APPEAR ON THE FOLLOWING PAGE]***

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the date first above written.

LANDLORD: K LW Investments, LLC, a California limited liability company

By: Richard Hyde  
Name: Richard Hyde

Its: general partner

TENANT: CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation

By: \_\_\_\_\_  
Sarah R. Oerth  
Director of Property

RECOMMENDED:

HUMAN SERVICES AGENCY

By: \_\_\_\_\_  
Trent Rhorer  
Executive Director,  
Human Services Agency

APPROVED AS TO FORM:

DAVID CHIU, City Attorney

By: \_\_\_\_\_  
Anna Parlato Gunderson  
Deputy City Attorney