

**SECOND AMENDMENT TO LEASE**

(2177 Jerrold Avenue)

THIS SECOND AMENDMENT TO LEASE (this "**Amendment**") is made as of the Effective Date defined below, in San Francisco, California, by and between LAWRENCE B. STONE PROPERTIES #08, LLC, a Washington limited liability company ("**Landlord**"), and the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation ("**City**" or "**Tenant**") acting by and through the Real Estate Division of the Office of the City Administrator on behalf of the Department of Homelessness and Supportive Housing ("**HSH**"), pursuant to San Francisco Board of Supervisors' Resolution No. \_\_\_\_\_, adopted by the board on \_\_\_\_\_, 2026, and with reference to the following facts and understandings:

**RECITALS**

A. City and Landlord are parties to that certain Lease dated for reference purposes as of November 1, 2023 (the "**Original Lease**"), as amended by the First Amendment To Lease dated effective as of August 28, 2025 (the "**First Amendment**" and together with the Original Lease, the "**Lease**") for the City's lease of that certain real property and the improvements thereon located at 2177 Jerrold Avenue, San Francisco, California (APN Block/Lot 5285A / 005 (the "**Site**")), as authorized by San Francisco Board of Supervisor's Resolutions No. 602-23, adopted on December 12, 2023, and 204-25, adopted by the board on June 25, 2025.

B. HSH and Landlord have agreed to Landlord's purchase and installation of Packaged Terminal Air Conditioners ("**PTACs**") within each of the 60 non-congregate cabins installed at the Site, to provide both heating and cooling to support health and safety of guests served through the HSH temporary shelter program (the "**Additional Improvements**").

C. The Additional Improvements may be requested of Landlord by City under Lease Section 4.12 (Additional Services). The Additional Improvements are detailed in the budget / scope of work attached to this Amendment as **Exhibit A** and incorporated herein by this reference.

D. City and Landlord now desire to enter into this Amendment to memorialize the terms and conditions of Landlord undertaking the work.

E. 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, the City and Landlord agree as follows:

**1. Amendments to Lease.**

a. **Appendment of Exhibit H.** This Amendment, inclusive of the budget / scope of work attached hereto as **Exhibit A**, is hereby appended to the Lease as **Exhibit H** ("**PTAC Additional Services**"). **Exhibit H** defines the terms for the Landlord's PTAC

installation and City's reimbursement to Landlord for the Additional Improvements in a total not to exceed amount of \$650,200. **Exhibit H** is hereby incorporated into the Lease by this reference.

**2. 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.

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

**4. Governing Law.** This Amendment will be governed by, construed and enforced in accordance with the laws of the State of California (but without regard to its choice of law provisions) and the 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.

**5. 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.

**6. Notification of Prohibition on Contributions.** By executing this Amendment, Landlord acknowledges its obligations under section 1.126 of the City's Campaign and Governmental Conduct Code, which prohibits any person who leases, or seeks to lease, to or from any department of the 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 the 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.

**7. 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 the 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.

8. **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.

9. **Effective Date.** The “**Effective Date**” means the later of the following dates: (a) the date the 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) the date of this Amendment is duly executed and delivered by the parties.

10. **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 of relinquishment of any rights which the 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.

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

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

LANDLORD: LAWRENCE B. STONE PROPERTIES #08,  
a Washington limited liability company

By: Laurence B Stone  
Name: Lawrence B Stone  
Its: Managing Member

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

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

RECOMMENDED:

\_\_\_\_\_  
Shireen McSpadden  
Executive Director, Department of  
Homelessness and Supportive Housing

APPROVED AS TO FORM:

DAVID CHIU, City Attorney

By: \_\_\_\_\_  
Vincent Brown  
Deputy City Attorney

**EXHIBIT A**

**Budget / Scope of Work**

*(see attached)*



**2177 Jerrold**  
**Cabin HVAC (PTAC) Estimate - (60) Existing Cabins**

<b>Line Item</b>	<b>Preliminary Scope Description</b>	<b>Budget</b>
General Conditions	\$2,500   week x (6) weeks	\$15,000
Progress Labor & Trade Support	\$2,900   week x (6) weeks	\$17,400
Removal of Existing Heaters	Remove existing heaters. Install steel coverplate with tamper proof screws.	\$21,000
Existing (60) Cabins - Electric PTAC	Supply and install electric PTAC units for (60) existing cabins, including: (60) 26" Amana Electric PTAC units for both heating and cooling, 9,000 BTUH each. Model #: PBE-093J35AA. Includes wired wifi-enables thermostats with centralized control option.  <b>Lead Time: 1 - 2 weeks</b>	\$262,310
Existing (60) Cabins - Electrical for PTAC	Supply and install (60) new 20 amp 208V circuit to each cabin. Includes (3) new transformers and panels.	\$206,875
Existing (60) Cabins - Wall Modifications	Allowance to cut 16" H x 26" W opening in existing Boss Cubez wall and attaching steel plate to exterior for structural support.	\$26,400
<b>Existing (60) Cabin HVAC Subtotal</b>		<b>\$548,985</b>
Construction Contingency	5% of overall Budget	\$27,449
Pro Rata Insurance	\$17   \$1000	\$9,799
SF Payroll Tax	\$6   \$1,000	\$3,517
CCI OH&P	5% of overall budget	\$29,488
LB Stone Management Fee, Net 30 Basis	5% of Project Total	\$30,962
<b>Total</b>		<b>\$650,200</b>