

LEASE

between

CITY AND COUNTY OF SAN FRANCISCO,
as Landlord

and

NPU, INC.,
as Tenant

For the lease of:

United States Old Mint
88 Fifth Street
San Francisco, California

March 1, 2020

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LIST OF EXHIBITS

- EXHIBIT A – Description of Premises
- EXHIBIT B – Notice of Commencement Date
- EXHIBIT C – Waiver and Release
- EXHIBIT D – Rules and Regulations
- EXHIBIT E – First Source Hiring Agreement
- EXHIBIT F – Local Hire
- EXHIBIT G – Tenant Improvement Work

LEASE

THIS LEASE (this "Lease"), dated for reference purposes only as of March 1, 2020, is between the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation ("City"), and NPU, INC., a California Corporation ("Tenant").

City and Tenant hereby covenant and agree as follows:

1. BASIC LEASE INFORMATION

The following is a summary of basic lease information (the "Basic Lease Information"). Each item below shall be deemed to incorporate all of the terms in this Lease pertaining to such item. In the event of any conflict between the information in this Section and any more specific provision of this Lease, the more specific provision shall control.

Lease Reference Date:	March 1, 2020
Landlord:	CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation
Tenant:	NPU, Inc., a California corporation
Building (<u>Section 2.1</u>):	United States Old Mint, one building and real property located at 88 Fifth Street, San Francisco, California
Premises (<u>Section 2.1</u>):	Old Mint building and real property parcel located at 88 Fifth Street, San Francisco, California (Block 3704, Lot 001) depicted on attached <u>Exhibit A</u> .
Usable Area of Premises (<u>Section 2.1</u>):	Approximately 75,000 square feet
Publicly-accessible Event Area of Premises	Approximately 25,000 square feet
Term (<u>Section 3.1</u>):	Estimated commencement date: March 1, 2020 Expiration date: February 28, 2022 Three (3) one-year extension options
Base Rent (<u>Section 4.1</u>):	Annual Base Rent: \$264,000 Monthly payments: \$22,000
Participation Rent (Section 4.4)	50% of Venue Rental Fees and \$2,500 per Ticketed Event
Rent Credit (Section 4.5)	Up to \$500,000 for approved Tenant improvements
Rent Adjustment Dates (<u>Section 4.2</u>):	Annual three (3%) percent increase
Use (<u>Section 5.1</u>):	Presenting community events, music concerts, theatrical events, cultural programming and entertainment performances, consumer events,

trade shows, corporate meetings, social functions and special events

Tenant Improvements (Section 6.1): See Exhibit G.

Utilities and Services (Section 10.1): Tenant shall pay all utilities and for all services

Security Deposit (Section 23): \$50,000 (funds on deposit with City since November 2015)

Notice Address of City (Section 28.1): Real Estate Division
25 Van Ness Avenue, Suite 400
San Francisco, California 94102
Attn: Director of Property
Re: 88 Fifth Street, Old Mint
Fax No.: (415) 552-9216

and to: Real Estate Finance Team
City Hall, Room 234
1 Dr. Carlton B. Goodlett Place
San Francisco, California 94102-4682
Attn: Deputy City Attorney
Re: 88 Fifth Street, Old Mint NPU Lease
Fax No.: (415) 554-4757

Key Contact for City: Claudia J. Gorham
Deputy Managing Director of Real Estate

Telephone No.: (415) 554-9871

Alternate Contact for City: Josh Keene

Telephone No.: (415) 554-9859

Address for Tenant (Section 28.1): 88 5th St.,
San Francisco, CA 94103

Key Contact for Tenant: Ryan West

Telephone No.: 415-629-0712

Alternate Contact for Tenant: Peter Glikshtern

Telephone No.: 415-260-1991

Other Noteworthy Provisions: Use Permit issued to California Historical Society (Section 5.1(b))

2. PREMISES; AS IS CONDITION

2.1 Lease Premises

Subject to the provisions of this Lease, City leases to Tenant and Tenant leases from City the Old Mint including the building identified in the Basic Lease Information (the "**Building**") and shown on the plan(s) attached hereto as Exhibit A (the "**Premises**"). The rentable area of the Premises specified in the Basic Lease Information shall be conclusive for all purposes hereof. The Building, land upon which the Building is located and all other improvements on and appurtenances to such land are referred to collectively as the "Property." Tenant shall have the non-exclusive right to use, the lobbies, corridors, elevators, stairways and other public areas of the Building and the Property (collectively, the "**Common Areas**"), and the non-exclusive right of access to and from the Premises by the main entrances to the Building and the Property.

2.2 Old Mint Restoration Project

The City's long-term objectives for the Mint are to fully renovate the building and rededicate it as a permanent cultural facility, possibly featuring a history museum and new home of the California Historical Society – an effort referred to as the Old Mint Restoration Project. The primary role of this Lease with NPU, Inc. is to keep the resource active and well-maintained until such time as the City and CHS are ready to proceed in earnest with the implementation of the Old Mint Restoration Project, should such a future action be approved. The City also intends to support, to the extent allowable under the terms of this Lease, history-related programming and cultural events at the Mint (such as the annual "San Francisco History Days" exposition) that are relevant to the building's future permanent use as cultural center.

2.3 Accessibility Disclosures

The United States Old Mint is over 140 years old and is a designated National Historic Landmark. 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. The law does not require landlords to have the inspections performed. Tenant is hereby advised that the Premises have not been inspected by a CASp. A CASp can inspect the Premises and determine if they comply with all the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the Premises, City may not prohibit Tenant from obtaining a CASp inspection of the Premises for the occupancy or potential occupancy of Tenant if requested by Tenant. City and Tenant will mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the CASp inspection fee, and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the Premises.

2.4 As Is Condition

TENANT ACKNOWLEDGES AND AGREES THAT THE PREMISES ARE BEING LEASED AND ACCEPTED IN THEIR "AS IS" CONDITION, WITHOUT REPRESENTATION OR WARRANTY OF ANY KIND, AND SUBJECT TO ALL APPLICABLE LAWS, RULES AND ORDINANCES GOVERNING THEIR USE, OCCUPANCY AND POSSESSION. TENANT REPRESENTS AND WARRANTS TO CITY THAT TENANT HAS INVESTIGATED AND INSPECTED, EITHER INDEPENDENTLY OR THROUGH AGENTS OF TENANT'S OWN CHOOSING, THE CONDITION OF THE PREMISES AND THE SUITABILITY OF THE PREMISES FOR TENANT'S INTENDED USE. TENANT HAS DETERMINED, BASED SOLELY ON ITS OWN INVESTIGATION, THAT THE PREMISES ARE SUITABLE FOR TENANT'S BUSINESS AND INTENDED

USETENANT ACKNOWLEDGES AND AGREES THAT NEITHER CITY NOR ANY OF ITS AGENTS HAVE MADE, AND CITY HEREBY DISCLAIMS, ANY REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, CONCERNING THE PREMISES, AND THE RENTABLE AREA THEREOF, THE PHYSICAL OR ENVIRONMENTAL CONDITION OF THE PREMISES OR THE PROPERTY, THE PRESENT OR FUTURE SUITABILITY OF THE PREMISES FOR TENANT'S BUSINESS, OR ANY OTHER MATTER WHATSOEVER RELATING TO THE PREMISES, INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

2.5 Energy Consumption

Tenant consents to Tenant's utility service providers disclosing energy use data for the Premises to City for use under California Public Resources Code Section 25402.10, as implemented under California Code of Regulations Sections 1680–1685, and San Francisco Environment Code Chapter 20, as each may be amended from time to time ("**Energy Consumption Reporting Laws**"), and for such data to be publicly disclosed under the Energy Consumption Reporting Laws.

3. TERM

3.1 Lease Term

Tenant is currently in possession of the Premises under a Revocable Permit to Enter and Use Property dated October 30, 2015. The Premises are leased for a term (the "**Term**") commencing on the date specified in the Basic Lease Information as the estimated commencement date (the "**Estimated Commencement Date**"), or such earlier date upon which City delivers a fully executed Agreement. The Term of this Lease shall end on the expiration date specified in the Basic Lease Information, unless sooner terminated pursuant to the provisions of this Lease. This Lease is subject to the Extension Option(s) set forth in Section 27.1 (Option to Extend Term). This Lease shall commence on the Commencement Date with the Premises in their then existing as is condition as further provided above, with no obligation of the City to make any improvements, repairs or alterations.

3.2 Confirmation of Commencement Date and Expiration Date

The dates on which the Term commences and terminates pursuant hereto are referred to respectively as the "**Commencement Date**" and the "**Expiration Date**." If the Commencement Date occurs on a date other than the Estimated Commencement Date, then promptly following the Commencement Date Tenant shall deliver to City a notice substantially in the form attached hereto as Exhibit B, confirming the actual Commencement Date, but Tenant's failure to do so shall not affect the commencement of the Term.

3.3 Delay in Delivery of Possession

If City is unable to deliver a fully executed Lease to Tenant on or before the Estimated Commencement Date, then the validity of this Lease shall not be affected thereby and City shall not be liable to Tenant for any Claims (as defined in Section 18 (Waiver of Claims; Indemnification)) resulting therefrom, and Tenant waives all provisions of any laws to the contrary. In such case, the Term and regular payments of Base Rent and Additional Charges shall not commence until this Lease commences. If the Term commences later or earlier than the Estimated Commencement Date, this Lease shall nevertheless expire on the Expiration Date, unless sooner terminated pursuant to the provisions hereof.

3.4 Delays Caused by Tenant

Notwithstanding anything to the contrary above, if City's inability to deliver possession of the Premises on the Estimated Commencement Date results from Tenant's or its Agents' acts or omissions, then Base Rent and Additional Charges payable by Tenant hereunder shall commence on the date when City would have delivered possession of the Premises but for such acts or omissions.

4. RENT

4.1 Base Rent

Throughout the Term beginning on the Commencement Date, Tenant shall pay to City the annual Base Rent specified in the Basic Lease Information, provided that such sum shall be subject to escalation pursuant to Section 4.2 (Adjustments in Base Rent) (the "**Base Rent**"). The Base Rent shall be paid to City in advance, without prior demand and without any deduction, setoff or counterclaim whatsoever, in equal consecutive monthly payments on or before the first day of the Term and on or before the first day of each month thereafter. All sums payable by Tenant to City hereunder shall be paid in cash or by good check to the City and County of San Francisco in care of the Director of Property at the primary address for City specified in the Basic Lease Information, or such other place as City may designate in writing. If Tenant pays by check and such check is not honored, then City may require Tenant to make all future payments in cash or by cashier's check. If the Commencement Date occurs on a day other than the first day of a calendar month, or the Expiration Date occurs on a day other than the last day of a calendar month, then the Base Rent for such fractional month shall be prorated based on a thirty (30) day month. Within five (5) days after the parties execute this Lease, Tenant shall pay to City the Base Rent for the first full month.

4.2 Adjustments in Base Rent

On each date specified in the Basic Lease Information for adjustment of the Base Rent (an "**Adjustment Date**"), the Base Rent payable under this Lease shall be adjusted and increased by three percent (3%).

4.3 Additional Charges

Tenant shall pay to City any and all charges and other amounts required under this Lease as additional rent (collectively, "**Additional Charges**"). All such Additional Charges shall be payable to City at the same place and the same manner as the Base Rent is payable. City shall have the same remedies for a default in the payment of any Additional Charges as for a default in the payment of Base Rent. As used in this Lease, the term "Rent" shall include the Base Rent, Additional Charges and any other amounts Tenant is obligated to pay hereunder, whether or not any such amounts are specifically characterized as rent.

4.4 Participation Rent

(a) **Participation Rent.** Tenant agrees to pay to City, as Participation Rent: (i) 50% of the Venue Rental Fees for each event for which Tenant receives Venue Rental Fees and, (ii) \$2,500 for each Ticketed Event held on or in the Premises for which Tenant receives revenue but for which Tenant does not receive a Venue Rental Fee. "**Venue Rental Fees**" shall mean, for all events other than Ticketed Events, the gross fees Tenant collects from third parties as payment for rental of the Premises less direct costs incurred by Tenant in producing and hosting a particular event, including but not limited to, staffing, permitting, and extra time and materials spent on special set-up/break-down arrangements. "**Ticketed Event**" shall mean, subject to Section 5.1(b), any event involving a ticketed entry.

(b) Accounting. Within ninety (90) days following the end of each Lease Year, Tenant shall deliver to City a statement, certified as true, correct and complete to the knowledge of the senior officer, member or partner of Tenant who is in the best position to know and has performed reasonable inquiry and diligence into such matters (“**Tenant’s Certification**”), setting forth Tenant’s calculation of Participation Rent for the preceding Lease Year (the “**Participation Rent Statement**”), together with appropriate backup documentation, as well as the actual payment of Participation Rent, if any is due in light of Section 4.5 (Rent Credit) below, as set forth in the Participation Rent Statement.

City shall have the right during the term of this Lease or within 180 days after expiration or termination of this Lease to audit Tenants’ records for the period of up to 3 years prior to the audit. If the audit reveals an underpayment of 5% or more of rent to City, Tenant shall within five (5) days of receiving the results of the audit pay the full cost of the audit and the amount of any underpayment as shown by the audit to City. In the event this Lease terminates for any reason during a Lease Year, Tenant shall calculate Participation Rent for the portion of the Lease Year that occurred prior to such termination within sixty (60) days following the termination.

4.5 Rent Credit

Tenant shall receive credit against Participation Rent payable to the City not to exceed \$500,000 during the initial Term of this Lease (a “Participation Rent Credit”) for actual third party costs incurred by Tenant for capital repairs and improvements set forth in Tenants’ annual budget as approved by the Director of Property under Section 6. City is offering this Participation Rent Credit to encourage Tenant to undertake building improvements that enhance the health, safety, and attractiveness of an important City-owned historic resource. Tenant shall be entitled to receive the Participation Rent Credit and City shall provide the Participation Rent Credit only if all of the following conditions are met: (i) Tenant is not in default under any term or condition of the Lease; (ii) the Director of Property has approved the work and the budget in advance, as set forth in Section 6; (iii) Tenant has satisfactorily completed the applicable work to date for which the Participation Rent Credit is sought; and (iv) Tenant has delivered to City copies of receipts, cancelled checks, invoices marked “Paid,” lien waivers, and other evidence reasonably acceptable to the Director of Property evidencing proof of expenditures for the applicable work. Upon satisfaction of the foregoing conditions, the Director of Property shall confirm the Participation Rent Credit amount in writing to Tenant. Upon such confirmation, the Participation Rent Credit will be applied against the Participation Rent amount then due, and shall continue to be applied against all future installments of the Participation Rent, without interest, until the Participation Rent Credit is exhausted. The Director of Property shall maintain an accounting at all times of the balance of any Participation Rent Credit, including all additions for the cost of new work performed at Tenant’s cost and deductions for all Participation Rent that become due under the Lease and for which a Participation Rent Credit has been issued.

If Tenant performs approved work to the building in excess of \$500,000 (“Surplus Credit”), Tenant may apply such Surplus Credit against Participation Rent owed in the initial Term of this Lease, with the City’s approval. No amount of Participation Rent Credit or Surplus Credit shall be applied to Base Rent owed to City. In the event the Lease is terminated for cause, and there remains a Participation Rent Credit amount that has not yet been applied against Participation Rent (“Unused Rent Credit”), Tenant shall lose that Unused Rent Credit and City shall have no liability and no responsibility to pay or reimburse Tenant for the Unused Rent Credit.

4.6 Late Charges

If Tenant fails to pay any Rent or any portion of Rent within five (5) days following the due date, such unpaid amount shall be subject to a late payment charge equal to six percent (6%) of the unpaid amount in each instance. The late payment charge has been agreed upon by City

and Tenant, after negotiation, as a reasonable estimate of the additional administrative costs and detriment that City will incur as a result of any such failure by Tenant, the actual costs thereof being extremely difficult if not impossible to determine. The late payment charge constitutes liquidated damages to compensate City for its damages resulting from such failure to pay and shall be paid to City together with such unpaid amount.

4.7 Default Interest

Any Rent, if not paid within five (5) days following the due date, shall bear interest from the due date until paid at the rate of ten percent (10%) per year or, if a higher rate is legally permissible, at the highest rate an individual is permitted to charge under law (the "Interest Rate"). However, interest shall not be payable on late charges incurred by Tenant nor on any amounts on which late charges are paid by Tenant to the extent this interest would cause the total interest to be in excess of that which an individual is lawfully permitted to charge. Payment of interest shall not excuse or cure any default by Tenant.

5. USE

5.1 Permitted Uses

(a) Permitted Uses. Tenant may use the Premises for the purpose of presenting community events, music concerts, theatrical events, cultural programming and entertainment performances, consumer events, trade shows, corporate meetings, social functions and special events, with the third floor of the Premises, not at this time legal for general occupancy, to be used as Tenant's offices (collectively the "**Permitted Uses**"). Tenant may perform all acts reasonable and necessary in connection with the use, operation, development and maintenance of the Premises for the Permitted Uses, including without limitation: (i) the development and construction of improvements, temporary and permanent, as approved by the Director of Property and City and other regulatory agencies as further described below; (ii) the sale of food and beverages for onsite consumption; and (iii) the sale of merchandise related to the Permitted Uses. All uses shall be in accordance with and subject to the requirements of the Lease.

(b) California Historical Society Agreement and Use Permit. Tenant will cooperate and work with the City's Restoration Project partner and potential long-term tenant/operator of the Old Mint, the California Historical Society ("**CHS**"). The City has entered into an Exclusive Negotiation Agreement ("**ENA**") with CHS, which describes the roles and responsibilities of each party in support of the due diligence and assessment phase of the Old Mint Restoration Project. City has also given CHS and its agents a revocable use permit to enter the Old Mint to conduct studies and investigations in support of the Old Mint Restoration Project. As part of this building investigation and site assessment, CHS may need to place various environmental testing and monitoring equipment on the property – the specific locations of which will be determined in consultation with City and Tenant.

In addition, as **discussed** in its ENA with the City, CHS shall plan occasional events and sponsor programming at the Old Mint. Tenant agrees to allow CHS to use the Old Mint for no less than four (4) one-day events and six (6) smaller-scale educational programs per year of the initial Term and any Extended Term for the purposes of CHS-organized programming and activities (collectively, "**CHS Programming**"), the dates of which shall be approved by Tenant, after consultation with City and CHS, which approval shall not be unreasonably withheld. Tenant shall permit use of the Old Mint to CHS for any and all such events at cost. Tenant will not be responsible for any additional City permits or fees that may be required relative to CHS Programming (fire watch, etc.). Any CHS programming that may involve a ticketed entry, shall not count as a Ticketed Event for the purposes of Section 4.4(a). Tenant agrees to quarterly scheduling meetings with City and CHS to discuss the advanced calendar for event space at the building.

Tenant also **agrees** to allow CHS to produce events or exhibits that require access to space at the Mint for longer periods of time than a one-day or one-night CHS Programming event (“**Temporary Exhibition**”). Such Temporary Exhibitions shall not to exceed a total of 14 calendar days per year, unless Tenant permits, either as a single period of time or as the sum of a series of shorter-run exhibits. The specific dates of any Temporary Exhibition will be determined in consultation with the City, CHS, and Tenant through the quarterly scheduling meetings, or other scheduling-related sessions as needed. Temporary Exhibitions shall be subject to certain blackout dates (the month of December; the week of the “Dreamforce Conference”, which changes each year; and Saturdays in the month of October), which may be lifted with Tenant’s consent. For any proposed Temporary Exhibition that exceeds three days in length, City will cause CHS to submit a specific event plan, detailing desired rooms and other space needs, expected hours of operation, additional services and necessary support for the event, additional rental and catering opportunities associated with the exhibit, and other production-related information. Tenant shall not be responsible for additional costs associated with the production of any Temporary Exhibition.

Tenant agrees to work with City and CHS to establish regularly-scheduled and publicly-accessible “open house” hours at the Mint. Such hours would provide an opportunity for members of the public-at-large to access portions of the building for tours, educational exhibits, and other programming. The City, CHS, and Tenant will also work together to schedule publicly-accessible tours of the building at times outside of, and in addition to, the “open house” hours at the Mint. In this instances, Tenant shall not be responsible for leading such tours.

Tenant also agrees to provide space at the Mint for the annual “History Days” event, which takes place on the first weekend of March each year. The three days dedicated to this event shall not be counted as CHS Programming days or as a Temporary Exhibition.

(c) **Schedule of Events.** Tenant shall notify the Director of Property of the schedule of events at the Premises thirty (30) days in advance of the event and provide a 4-week written calendar of events at least monthly on or before the twenty (20th) day of each month. Tenant may update this 4-week calendar, should it receive a request to schedule an event with less than 30 days’ notice, by immediately notifying the Director of Property. The Director of Property shall have the right, acting in his reasonable discretion, to prohibit any event that the Director of Property determines could be disruptive to the neighborhood or is not appropriate for the Old Mint or the location, taking into account such factors as deemed relevant by the Director of Property. The parties shall meet and confer in good faith to discuss any particular events or objections to events upon request by either party. Tenant shall obtain all permits and regulatory approvals as may be required under applicable law in accordance with Tenant’s use of the Premises.

5.2 No Unlawful Uses, Nuisances or Waste

Without limiting the foregoing, Tenant shall not use, occupy or permit the use or occupancy of any of the Premises in any unlawful manner or for any illegal purpose, or permit any offensive, noisy or hazardous use or any waste on or about the Premises. Tenant shall take all precautions to eliminate any nuisances or hazards relating to its activities on or about the Premises. Tenant shall not conduct any business, place any sales display, or advertise in any manner in areas outside the Premises, Building or on or about the Property except identification signs in a location and size and design approved by City in its sole discretion.

5.3 City Days

City shall have the right to exclusive use of the Premises, for civic events and other City purposes up to four (4) days per calendar month, for events approved by the Director of Property (the “**City Days**”). City may request to schedule a City Day with no less than a 30-day advance

notice. Tenant shall then have three (3) days to respond to City as to that date's availability. Upon the conclusion of the three-day window, City shall have the right to reserve City Days if Tenant has not scheduled any event or occupancy for that requested date. Requests to schedule City Days that are submitted with less than a 30-day advance notice will be accommodated only with Tenant's approval, which shall not be unreasonably withheld. Utilizing the quarterly scheduling meetings and regular communication as needed, the parties agree to work together in good faith to coordinate Tenant's events and uses, including any maintenance or repair work, and City's requested uses; provided, however, City shall not use or occupy the Premises for (i) more than four consecutive days/nights and (ii) no more than two (2) weekend days or nights (i.e. Friday or Saturday) during a six-month period of time. City Days shall include any days needed for setting up or tearing down in addition to the day of each event, as requested by City. City shall not be required to pay Tenant for the use of the Premises nor shall there be any rent abatement, however, every City department, governmental entity and nonprofit organization using a City Day shall be responsible for all actual costs and expenses relating to the use of the Premises for said City Day, including all indemnities and all insurance.

5.4 Limitations on Uses

Neither Tenant, nor its Agents, Vendors, Permittees, or Invitees (each as defined below), shall use, occupy or permit the use or occupancy of any of the Premises in any unlawful manner or for any illegal purpose, or permit any refuse on or about the Premises. Tenant's use and operations on the Premises shall be conducted in a first-class manner and comply with all zoning and other area specific restrictions, if any. Tenant shall not conduct any business, place any sales display, or advertise in any manner in areas outside the Building, except as approved by City in its regulatory capacity in accordance with City's standard permitting process for the use of streets and sidewalks. Without limiting the foregoing, Tenant shall not conduct or permit on or about the Premises, any of the following activities ("**Prohibited Activities**"): (i) any activity or use prohibited under this Lease; (ii) any activity that is not listed within the Permitted Uses or otherwise approved by the Director of Property in writing; (iii) any activity or object that will overload or cause damage to the Premises and Building or include more persons that is permitted by the City's Fire Marshall; (iv) use of the Premises or Building for sleeping or personal living quarters; or (v) any use by a group or organization that violates the nondiscrimination provisions or other provisions set forth in this Lease. Upon request by either party, City and Tenant agree to meet and confer from time to time for purposes of developing and maintaining effective noise, security and crowd control measures and programs and to address any other operational matters relating to the use of the Premises, and Tenant agrees to follow such measures and programs as directed by City from time to time.

5.5 Amplified Sound; Intellectual Property Rights

Tenant acknowledges and agrees that if Tenant desires to use amplified sound at the Premises for an event, Tenant must apply for and obtain all required permits for use of amplified sound from City, acting in its regulatory capacity, if any, including the City's Entertainment Commission. Further, Tenant shall be solely responsible for obtaining any necessary clearances or permissions from third parties for the use of intellectual property on the Premises with respect to its activities thereon, including, but not limited to musical or other performance rights.

5.6 Indoor Advertising and Signs

Tenant shall have the right to install signs and advertising inside the Building, subject to applicable law. The Building is included on the National Register of Historic Places. Tenant may not place any advertisements or signs, including but not limited to awnings, canopies, and banners, on the exterior of the Building, or any signs or advertising on the interior of the Building which are visible from the outside, without the Director of Property's prior written consent, which consent can be given or withheld in her or his sole discretion.

5.7 Vendors, Permittees, and Mobile Food Facilities

(a) **Generally.** City acknowledges that an important component of some of Tenant's events depends on Tenant contracting with third parties ("**Permittees**") and vendors ("**Vendors**") to operate on the Premises under the terms and conditions of this Lease. Tenant shall have the right to allow such Permittees and Vendors to operate at the Premises and Building for an applicable event during specified event hours, provided, however, (i) the proposed use of the Premises shall be consistent with the provisions of this Lease, (ii) Tenant shall be responsible for the conduct and operations of the Vendor, Permittee, and their respective Agents (as defined in Section 4.2 below) on and in the Premises, and (iii) Tenant shall cause each Vendor, Permittee, and their respective Agents to comply with the applicable terms and conditions of this Lease.

(b) **Appearance and Design of Mobile Food Facility.** Permittee shall ensure that each mobile food truck, if any, including associated garbage receptacles, fixtures and equipment, be attractive in appearance and be kept clean and free from clutter at all times.

(c) **Quality of Products.** Tenant shall insure that Permittee agrees that any product, food or refreshments offered for sale by any Vendor or Sub-Permittee under any Permit shall be of good quality, healthy and sustainably-produced. City shall have the right to reasonably object to the quality of the food, beverages, and service(s) provided and Permittee shall have the obligation to promptly address those objections until corrected to the satisfaction of City.

(d) **Prohibition of Advertising.** Tenant shall insure that no vehicle, mobile food truck or equipment shall be used for advertising of any kind, except for the name and logo of the Permittee's and Vendor's company and small generic illustrations of the products that are sold. The design and placement of all signs on and in the Premises must be approved in writing in advance by City.

(e) **Standards of Conduct, Customer Service and Customer Contact Number.** Tenant shall cause Permittees and Vendors to display accurate price signs visible to customers. Tenant, the Permittees, the Vendors and their respective Agents shall conduct themselves in a professional, courteous and respectful manner at all times. Tenant, not City, shall be responsible for handling, addressing and responding to any customer concerns regarding any service matters pertaining to the Permittees and Vendors including refund requests, product complaints or other service matters. Tenant shall have visible signage at and in the Permit Area identifying Tenant's company name and the phone number for comments or complaints.

(f) **Prohibition of Alcohol.** The sale and use of alcohol is prohibited unless Tenant has obtained all required Approvals.

(g) **Vendor Agreement Regarding Waiver and Release.** Before any Vendor, Permittee, or other third party operates on or in the Premises pursuant to this Lease, Tenant shall obtain from such Vendor, Permittee, or other third party a signed waiver and release in the form attached hereto as Exhibit C, or in such other form and content approved by City's Director of Property or his or her designee in writing. Tenant shall retain such executed waiver and release forms, and shall provide the original executed forms to City at City's written request given from time to time.

(h) **Vendor Licensing.** Tenant shall ensure that each Vendor, Permittee, or other third party operating in or at the Premises has obtained all required Approvals and all Mobile Food Facilities have complied with the current California Uniform Retail Food Facilities Laws and the San Francisco Department of Public Health conditions.

5.8 Approvals and Identification of Agents, Vendors, and Permittees

Before commencing any of the activities at the Premises permitted under this Lease, including any construction, Tenant shall obtain all permits, licenses and approvals (collectively, "**Approvals**") of any and all regulatory agencies required to commence such activities. Promptly upon request, Tenant shall deliver copies of them to the Director of Property, and if any event or activity requires a permit, Tenant shall display such permit in a conspicuous place during the event. Tenant shall also deliver copies of Vendor and Permittee agreements upon request, together with all information regarding the identity of Vendors, Permittees, and their respective Agents. Tenant recognizes and agrees that no approval by City for purposes of Tenant's activities hereunder shall be deemed to constitute the Approval of any federal, state or local regulatory authority with jurisdiction, and nothing herein shall limit Tenant's obligation to obtain all such Approvals required for the events or any activities conducted at an event by Tenant, its Agents, Permittees, or its Vendors.

5.9 No Smoking

Smoking is prohibited in or on the Premises, including inside the Building. Tenant shall not knowingly or intentionally permit, or allow its Vendors or Permittees to permit, smoking in or on the Premises.

5.10 Nuisances; Damage

Tenant shall not conduct any activities on or about the Premises that constitute waste, nuisance or unreasonable annoyance (including, without limitation, emission of objectionable odors, noises or lights) to City, to the owners or occupants of neighboring property or to the public. Tenant shall not do anything about the Premises that will cause damage to any of City's property.

5.11 Prevailing Wages for Certain Uses

(a) Tenant will pay, and will require its subtenants, and contractors and subcontractors (regardless of tier) to pay, prevailing wages, including fringe benefits or the matching equivalents, to persons performing services for the following activity on the Premises as set forth in and to the extent required by San Francisco Administrative Code Chapter 21C: a Public Off-Street Parking Lot, Garage or Automobile Storage Facility (as defined in Section 21C.3), a Show (as defined in Section 21C.4), a Trade Show and Special Event (as defined in Section 21C.8), and Broadcast Services (as defined in Section 21C.9), Commercial Vehicles, Loading and Unloading for Shows and Special Events (as defined in Section 21C.10), and Security Guard Services for Events (as defined in Section 21C.11).

(b) If Tenant, or its subtenants, contractors, and subcontractors fail to comply with the applicable obligations in San Francisco Administrative Code Chapter 21C, City will have all available remedies set forth in Chapter 21C and the remedies set forth in this Lease. City may inspect and/or audit any workplace, job site, books, and records pertaining to the applicable services and may interview any individual who provides, or has provided, those services. Promptly after City's request, Tenant will provide to City (and to require any subtenant, contractor, or subcontractor who maintains the records to provide to City) immediate access to all workers' time sheets, payroll records, and paychecks for inspection to the extent they relate to those services.

- The types of covered services related to a Show includes individuals engaged in theatrical or technical services, including rigging, sound, projection, theatrical lighting, videos, computers, draping, carpentry, special effects, and motion picture services.

- The types of covered services related to a Special Event includes individuals engaged in on-site installation, set-up, assembly, and dismantling of temporary exhibits, displays, booths, modular systems, signage, drapery, specialty furniture, floor coverings, and decorative

materials in connection with trade shows, conventions, expositions, and other special events on City property.

- The types of covered services related to Broadcast Services includes individuals engaged in the electronic capture and/or live transmission of on-site video, digital, and/or video content for commercial purposes through the use of a remote production or satellite trust on-site, including any technical director, video controller, assistant director, and stage manager, and individuals engaged in audio, camera, capture and playback, graphics, and utility functions.]

If Tenant has any questions about the applicability or implementation of the requirements of this Section, Tenant should contact OEWD in advance.

6. TENANT IMPROVEMENTS

6.1 Tenant Improvement Work

(a) Permanent Improvements. Tenant desires to install permanent improvements on, in and at the Premises. It is the City's intention that these improvements benefit both the safety and use of the building today, as well as further the City's long-term objectives for the Old Mint. Tenant shall obtain the written approval of the Director of Property in advance of submission of any plans and specifications prepared by Tenant's architect or space planner, for the construction and installation of the improvements at the Premises (such work is referred to as the "**Tenant Improvement Work**" or "**Tenant Improvements**" and such plans and specifications are referred to as the "**Plans**"). Tenant shall also obtain the written approval of all appropriate and necessary regulatory agencies, including without limitation, the Historic Preservation Coordinator for the City. OEWD will facilitate coordination, regarding any building improvements, between Tenant and the City's long-term partner for the Restoration Project. A list of possible and desirable improvements is provided in Exhibit G, Building Improvements.

(b) Costs. Tenant shall be responsible, at no cost to the City, for performing the Tenant Improvement Work in accordance with the approved Plans and the standards contained in Section 7.1 (Tenant's Alterations) below. Tenant shall further be responsible, at no cost to the City, for obtaining all permits and licenses required in connection with the Tenant Improvements.

(c) Approvals and Commencement of Improvements. No Tenant Improvement Work shall commence in the Premises unless and until this Lease is approved by the City's Board of Supervisors and Mayor as further provided herein and is fully executed. Tenant shall not make any material change to the approved Plans or consent to any change order during the course of construction without first obtaining City's written approval. Tenant shall ensure that all work is performed in a manner that does not interfere with any other work being undertaken within the Building. Upon completion of the Tenant Improvements, Tenant shall furnish City with a copy of the final as-built plans and specifications. No approval by City or any of its Agents of the Plans, any changes thereto or of any Alterations for purposes of this Lease shall be deemed to constitute approval of any federal, state or local regulatory authority with jurisdiction over the Premises or Tenant's use hereunder, and nothing herein shall limit Tenant's obligation to obtain all such regulatory approvals at no cost to the City.

6.2 Local Hire Requirements

Tenant and its subtenants shall comply with the applicable requirements of San Francisco Administrative Code Section 23.62 in the performance of the Tenant Improvement Work, as further set forth in Exhibit E, Local Hire, attached to this Lease.

6.3 Prevailing Wages and Working Conditions

(a) Any undefined, initially-capitalized term used in this Section has the meaning given to that term in San Francisco Administrative Code Section 23.61. Tenant will require its Contractors and Subcontractors performing (i) labor in connection with a “public work” as defined under California Labor Code Section 1720 et seq. (which includes certain construction, alteration, maintenance, demolition, installation, repair, carpet laying, or refuse hauling work if paid for in whole or part out of public funds) or (ii) Covered Construction, at the Premises to (A) pay workers performing that work not less than the Prevailing Rate of Wages, (B) provide the same hours, working conditions, and benefits as in each case are provided for similar work performed in San Francisco County, and (C) employ Apprentices in accordance with San Francisco Administrative Code Section 23.61 (collectively, “**Prevailing Wage Requirements**”). Tenant will cooperate with City in any action or proceeding against a Contractor or Subcontractor that fails to comply with the Prevailing Wage Requirements.

(b) Tenant will include, and will require its subtenants, and Contractors and Subcontractors (regardless of tier), to include in any Construction Contract the Prevailing Wage Requirements, with specific reference to San Francisco Administrative Code Section 23.61, and the agreement to cooperate in City enforcement actions. Each Construction Contract will name the City and County of San Francisco, affected workers, and employee organizations formally representing affected workers as third-party beneficiaries for the limited purpose of enforcing the Prevailing Wage Requirements, including the right to file charges and seek penalties against any Contractor or Subcontractor in accordance with San Francisco Administrative Code Section 23.61. Tenant’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 San Francisco Administrative Code Section 23.61 against the breaching party. For the current Prevailing Rate of Wages, see www.sfgov.org/olse or call City’s Office of Labor Standards Enforcement at 415-554-6235.

(c) Tenant will also pay, and will require its subtenants, and Contractors and Subcontractors (regardless of tier) to pay, the Prevailing Rate of Wage for the following activities on the Premises as set forth in and to the extent required by San Francisco Administrative Code Chapter 21C: a Public Off-Street Parking Lot, Garage or Automobile Storage Facility (as defined in Section 21C.3), a Show (as defined in Section 21C.4), a Special Event (as defined in Section 21C.8), Broadcast Services (as defined in Section 21C.9), Commercial Vehicles, Loading and Unloading for Shows and Special Events (as defined in Section 21C.10), and Security Guard Services for Events (as defined in Section 21C.11).

7. ALTERATIONS

7.1 Tenant’s Alterations

(a) General

Tenant shall not make or permit any alterations to the Building or to the heating, ventilating, air conditioning, plumbing, electrical, fire protection, life safety, security and other mechanical, electrical, communications systems of the Building (“**Building Systems**”), and shall not make or permit any alterations, installations, additions or improvements, structural or otherwise (collectively, “**Alterations**”), in, to or about the Premises, without City’s prior written consent in each instance. All Alterations shall be done at Tenant’s expense in accordance with plans and specifications approved by City, only by duly licensed and bonded contractors or mechanics approved by City, which approvals shall not be unreasonably withheld, and subject to any conditions that City may reasonably impose. With respect to any Alterations, which would be visible from the exterior of the Building, Tenant shall obtain the prior written approval of

City's Arts Commission to the extent the Arts Commission has jurisdiction over the design of such proposed alterations under City's Charter Section 5.103.

(b) Asbestos

Without limiting Section 26.2 (No Hazardous Materials) below, in the event that asbestos-containing materials ("ACM") are determined to exist in or about the Premises, Tenant shall ensure that all Alterations and any asbestos related work, as defined in California Health & Safety Code Section 25914.1(b), is performed in compliance with all laws relating to asbestos, including but not limited to California Occupational Safety and Health (OSHA) regulations found in Title 8 of the California Code of Regulations, Sections 1502 and 1529. Additionally, Tenant shall distribute notifications to all employees and contractors as required pursuant to California Health & Safety Code Section 25915 et seq. informing them of the existence of ACM and that moving, drilling, boring, or otherwise disturbing ACM may present a health risk and should not be attempted by an unqualified employee. No Alterations affecting ACM-containing areas or any asbestos related work shall be performed without City's prior written consent in each instance.

(c) Local Hiring and Prevailing Wage Requirements

Tenant and its subtenants shall comply with the applicable requirements of Section 6.2 (Local Hire Requirements) and Section 6.3 (Prevailing Wage and Working Conditions) in the performance of any Alterations.

(d) Tenant's Improvements or Alterations that Disturb or Remove Lead-Based Paint

Tenant, on behalf of itself and its Agents or Invitees, shall comply with all requirements of the San Francisco Building Code, Section 3407, and all other applicable present or future federal, state, local and administrative laws, rules, regulations, orders and other governmental requirements, the requirements of any board of fire underwriters or other similar body, any directive or occupancy certificate issued pursuant to any law by any public officer or officers acting in their regulatory capacity (collectively, "**Laws**"), including, without limitation, the California and United States Occupational Health and Safety Acts and their implementing regulations, when the work of improvement or alteration disturbs or removes exterior lead-based or "presumed" lead-based paint (as defined below). Tenant and its Agents or Invitees shall give to City three (3) business days prior written notice of any disturbance or removal of exterior lead-based or presumed lead-based paint. Further, Tenant and its Agents or Invitees, when disturbing or removing exterior lead-based or presumed lead-based paint, shall not use or cause to be used any of the following methods: **(a)** acetylene or propane burning and torching; **(b)** scraping, sanding or grinding without containment barriers or a High Efficiency Particulate Air filter ("**HEPA**") local vacuum exhaust tool; **(c)** hydroblasting or high-pressure wash without containment barriers; **(d)** abrasive blasting or sandblasting without containment barriers or a HEPA vacuum exhaust tool; and **(e)** heat guns operating above 1,100 degrees Fahrenheit. Paint on the exterior of buildings built before December 31, 1978, is presumed to be lead-based paint unless lead-based paint testing, as defined in Section 3407 of the San Francisco Building Code, demonstrates an absence of lead-based paint on the exterior surfaces of such buildings. Under this Section, lead-based paint is "disturbed or removed" if the work of improvement or alteration involves any action that creates friction, pressure, heat or a chemical reaction upon any lead-based or presumed lead-based paint on an exterior surface so as to abrade, loosen, penetrate, cut through or eliminate paint from that surface. Notice to City under this Lease shall not constitute notice to the City's Department of Building Inspection required under Section 3407 of the San Francisco Building Code.

7.2 Approved Building Improvements

(a) **Permits and Approvals.** As set forth in Section 4.5, Tenant may receive Participation Rent Credit for approved Building Improvement Projects. Before beginning any work, Tenant shall obtain all permits, licenses, and approvals (collectively “**Approvals**”) of any regulatory agencies required to commence and complete the permitted work. Promptly following City’s request, Tenant shall deliver copies of existing Approvals to City. Tenant recognizes and agrees that no approval by City for purposes of Tenant's installation work hereunder shall be deemed to constitute the approval of any federal, state or local regulatory authority with jurisdiction, and nothing herein shall limit Tenant’s obligation to obtain all such regulatory approvals, at Tenant's sole cost.

(b) **Cost of Work.** Before commencing any work, Tenant shall prepare a budget for the approval of the Director of Property, which approval shall not be unreasonably withheld. If, upon receipt of bids for work, the budget is not sufficient to cover the cost of the proposed work, Tenant shall submit a new budget to the Director of Property prior to commencement of any work. The parties may meet and confer to determine the appropriate scope and budget at any time. Tenant shall not receive a Participation Rent Credit against the Participation Rent (as set forth in Section 4.5) for any cost that exceeds the amount approved by the Director of Property.

7.3 Title to Improvements

Except for Tenant’s Personal Property (as described in the next section), or as may be specifically provided to the contrary in the approved Plans, all appurtenances, fixtures, artifacts or material located within the building’s walls or below its floors, improvements, equipment, additions, and other property attached or affixed to or installed in the Premises at the Commencement Date or during the Term, including, without limitation, the Tenant Improvements and any Alterations, shall be and remain City’s property. Tenant may not remove any such property at any time during or after the Term unless City so requests as further provided in Section 23 (Surrender of Premises) below.

7.4 Tenant’s Personal Property

All furniture, trade fixtures, office equipment and articles of movable personal property installed in the Premises by or for the account of Tenant, without expense to City, and that can be removed without structural or other damage to the Premises (collectively, “**Tenant’s Personal Property**”) shall be and remain Tenant’s property. Tenant may remove its Personal Property at any time during the Term, subject to the provisions of Section 24 (Surrender of Premises) below. Tenant shall pay any taxes or other impositions levied or assessed upon Tenant’s Personal Property, at least ten (10) days prior to delinquency, and shall deliver satisfactory evidence of such payment to City upon request. Except for Permittee’s Personal Property, all appurtenances, fixtures, improvements, equipment, additions, and other property attached or affixed to or installed in the Premises during the Term, including, without limitation, the Tenant’s Improvements and any Alterations, shall be and remain City’s property. Tenant shall not receive any Participation Credit for any property, improvements, equipment or facilities that will not become or remain City’s property at the end of the Term. Tenant may not remove any such property at any time during or after the Term unless City so allows or requests.

7.5 City’s Alterations of the Building and Building Systems

City reserves the right at any time to make alterations, additions, repairs, deletions or improvements to the common areas or any other part of the Building or the Building Systems, provided that any such alterations or additions shall not materially adversely affect the functional utilization of the Premises for the uses permitted hereunder.

8. REPAIRS AND MAINTENANCE

8.1 Responsibility for Maintenance of Permit Area; No Costs to City

During the Lease Term, Tenant shall repair and maintain the Premises and all improvements and facilities placed in or on the Premises, including all structural portions of the Building and the Building Systems, the elevators and common areas, at no cost to City, in a clean, secure, safe and good condition. City shall have no duty whatsoever for any maintenance of the Premises or any Improvements or facilities placed therein, except as agreed to between the parties in writing. Tenant shall bear all costs or expense of any kind or nature in connection with its use of the Premises. Tenant shall maintain, at no expense to City, the Premises (including, without limitation, the floors, interior plumbing, electrical wiring, fixtures, building systems, landscaping, improvements on the Premises, and equipment) in good repair and working order and in a clean, secure, safe and sanitary condition, and shall maintain the outside of the building in a clean, secure and safe condition, and free of graffiti. Tenant shall promptly make all repairs and replacements: **(a)** at no cost to the City, **(b)** by licensed contractors or qualified mechanics approved by City, **(c)** so that the same shall be at least equal in quality, value and utility to the original work or installation, **(d)** in a manner and using equipment and materials that will not interfere with or impair the operations, use or occupation of the Building or the Building Systems, and **(e)** in accordance with any applicable Building Rules and Regulations (as defined in Section 22 (Rules and Regulations)) and all applicable laws, rules and regulations. Tenant hereby waives all rights to make repairs at City's expense under Sections 1941 and 1942 of the California Civil Code or under any similar law, statute or ordinance now or hereafter in effect.

Tenant shall also be responsible for the permitting, maintenance, and repair of all elevators, fire, life and safety equipment and systems within the Premises. Tenant shall provide a copy of the yearly inspection reports and any omission reports within five business days of receipt. Tenant shall provide oral reports to City's designated building engineers when requested and a six month written summary of all police and fire calls to the Premises.

8.2 Exercise of Due Care

Tenant shall use, and shall cause its officers, directors, employees, agents, affiliates, subsidiaries, licensees and contractors, Permittees, Agents and Vendors, and their respective heirs, legal representatives, successors and assigns, and each of them ("**Agents**") to use, due care at all times to avoid any damage or harm to the Premises and to City's property, especially in light of its historical classification and the conditions and limitations. City shall have the right to approve and supervise any work. Tenant shall do everything reasonably within its power, both independently and upon request by City, to prevent and suppress fires on and adjacent to the Premises attributable to Tenant's and its Agents' use hereunder.

8.3 Cooperation with City Personnel

Tenant and its Agents shall work closely with City personnel, and its designated consultants, to minimize any potential disturbance (even if temporary) of the natural features of the Premises and to avoid disruption (even if temporary) of persons or property in or about the Premises. Before any work at, on, in, or about the Old Mint, Tenant and its Agents shall contact the Director of Property and the City's Preservation Coordinator at the Planning Department. City personnel will respond reasonably promptly when Tenant and its Agents contact City personnel pursuant to this Section. Construction sites shall be screened with temporary fencing where possible to reduce visual impact.

8.4 Security

Tenant at all times shall be responsible for on-site security in and about the Premises. It shall be Tenant's responsibility to contact City's Police Department to determine appropriate security staff for an event, if appropriate. In the event that additional police or other security services are required, Tenant agrees to hire additional security staff and/or enter into an agreement with City's Police Department, and to pay for such additional services, in accordance with the provisions of San Francisco Administrative Code Chapter 10B.

8.5 Supplies and Utilities

At no cost to City, Tenant shall provide all necessary equipment, supplies and utilities it requires for the events. Tenant shall not use, borrow, and/or take any of City's utilities without the written approval from the Director of Property or his/her designee. Tenant may install certain temporary and removable facilities and improvements, such as movable tents, canopies, chairs, lights, speakers, and tables, in the Premises during events. Immediately following the event, Tenant shall remove all debris and facilities and restore the Premises to the satisfaction of City.

9. LIENS AND ENCUMBRANCES

9.1 Liens

Tenant shall keep the Premises and the rest of the Property free from any liens arising out of any work performed, material furnished or obligations incurred by or for Tenant. In the event Tenant does not, within five (5) days following the imposition of any such lien, cause the lien to be released of record by payment or posting of a proper bond, City shall have, in addition to all other remedies, the right, but not the obligation, to cause the lien to be released by such means as it shall deem proper, including, but not limited to, payment of the claim giving rise to such lien. All such sums paid by City and all expenses incurred by it in connection therewith (including, without limitation, reasonable attorneys' fees) shall be payable to City by Tenant upon demand. City shall have the right to post on the Premises any notices that City may deem proper for the protection of City, the Premises, and the Building, from mechanics' and material supplier's liens. Tenant shall give to City at least fifteen (15) days' prior written notice of commencement of any Alteration, repair or construction on the Premises. Tenant agrees to indemnify, defend and hold City and its Agents harmless from and against any claims for mechanic's, material supplier's or other liens in connection with any Alterations, repairs or construction on the Premises, or materials furnished or obligations incurred by or for Tenant.

9.2 Encumbrances

Tenant shall not create, permit or suffer any liens or encumbrances affecting any portion of the Premises, the Property or City's interest therein or under this Lease.

10. UTILITIES AND SERVICES

10.1 Utilities and Services

At no cost to City, Tenant shall provide all necessary equipment, supplies, and utilities it requires during the Term and for all events, including water, sewer, electricity, trash and recycling removal, subject to the terms and conditions contained therein. Tenant shall not use, borrow, and/or take any of City's utilities without the written approval from the Director of Property or his/her designee. Tenant may install certain temporary and removable facilities and improvements, such as movable tents, canopies, chairs, lights, speakers, and tables, in the Premises during the Term. Immediately following the Term, Tenant shall remove all debris and facilities.

At no time may Tenant install, or contract with a cellular company or other entity to install, a cellular communications system, tower, or antenna inside or outside of the Building.

10.2 Water and Energy Conservation; Mandatory or Voluntary Restrictions

In the event any law, ordinance, code or governmental or regulatory guideline imposes mandatory or voluntary controls on City or the Property or any part thereof, relating to the use or conservation of energy, water, gas, light or electricity or the reduction of automobile or other emissions, or the provision of any other utility or service provided with respect to this Lease, or in the event City is required or elects to make alterations to any part of the Building in order to comply with such mandatory or voluntary controls or guidelines, such compliance and the making of such alterations shall in no event entitle Tenant to any damages, relieve Tenant of the obligation to pay the full Base Rent and Additional Charges reserved hereunder or to perform each of its other covenants hereunder or constitute or be construed as a constructive or other eviction of Tenant.

10.3 Excess Use

If Tenant requires any utilities or services to be provided by City hereunder in excess of the Standard Utilities and Services for the Premises, Tenant shall first procure City's written consent, which City may give or withhold in its sole discretion. In the case of City's consent, Tenant shall pay to City, as additional rent, the cost of such excess usage. Failure of City to bill Tenant for such excess utilities or services shall not impair City's right to bill Tenant for such costs at a later date. Without limiting the foregoing, Tenant shall not: **(a)** connect or use any apparatus, device or equipment that will require a dedicated circuit or that will impair the proper functioning or capacity of the Building Systems; or **(b)** connect any apparatus, device or equipment through electrical outlets except in the manner for which such outlets are designed and without the use of any device intended to increase the plug capacity of any electrical outlet; or **(c)** maintain at any time an electrical demand load in excess of any amount specified therefor in the Rules and Regulations. If at any time during the Term City has reason to believe that Tenant may be using any utility or service in excess of the amount therefor allowed to the Premises pursuant to the Standard Building Utilities or Services, City shall have the right to install a separate meter in the Premises or to take other appropriate steps to measure the amount of utility or service used in the Premises, and the cost of such meter and all corrective measures, and the installation and maintenance thereof, shall be paid for by Tenant.

10.4 Floor Load

Without City's prior written consent, which City may give or refuse in its sole discretion, Tenant shall not place or install in the Premises any equipment that weighs in excess of the normal load-bearing capacity of the floors of the Building. If City consents to the placement or installation of any such machine or equipment in the Premises, Tenant, at no cost to the City, shall reinforce the floor of the Premises, pursuant to plans and specifications approved by City and otherwise in compliance with Section 7.1 (Tenant's Alterations), to the extent necessary to assure that no damage to the Premises or the Building or weakening of any structural supports will be occasioned thereby.

10.5 Interruption of Services

In the event of an interruption in, or failure or inability to obtain any service or utility for the Premises for any reason, such interruption, failure or inability shall not constitute an eviction of Tenant, constructive or otherwise, or impose upon City any liability whatsoever, including, but not limited to, liability for consequential damages or loss of business by Tenant; provided, however, that if such interruption, failure or inability impairs Tenant's ability to carry on its business in the Premises for a period of thirty (30) or more consecutive days, then Tenant shall

have the right, as Tenant's sole remedy, to abate the Rent based on the extent such interruption, failure or inability impairs Tenant's ability to carry on its business in the Premises. Tenant hereby waives the provisions of California Civil Code Section 1932(1) or any other applicable existing or future Legal Requirement permitting the termination of this Lease due to such interruption, failure or inability.

10.6 Capital Improvements

Intentionally omitted.

11. COMPLIANCE WITH LAWS AND RISK MANAGEMENT REQUIREMENTS

11.1 Compliance with Laws

Tenant shall promptly comply, at no cost to the City, with all present or future laws, ordinance, resolution, regulation, requirement, proclamation, order or decree of any municipal, county, state or federal government or other governmental or regulatory authority relating to the Premises or the use or occupancy thereof (the "**Legal Requirements**") and with any and all recorded covenants, conditions and restrictions affecting the Property or any portion thereof, whether in effect at the time of the execution of this Lease or adopted or recorded at any time thereafter and whether or not within the present contemplation of the parties. Tenant further understands and agrees that it is Tenant's obligation, at no cost to the City, to cause the Premises and Tenant's uses thereof to be conducted in compliance with the Americans With Disabilities Act, 42 U.S.C. Section 12101 et seq. and any other applicable disability access laws. Tenant shall not be required to make any structural Alterations in order to comply with such laws unless such Alterations shall be occasioned, in whole or in part, directly or indirectly, by the Tenant Improvements or any other Alterations, Tenant's use of the Premises, or any act or omission of Tenant, its Agents or Invitees.

Any Alteration made by or on behalf of Tenant pursuant to the provisions of this Section shall comply with the provisions of Section 8 (Repairs and Maintenance) above. The parties acknowledge and agree that Tenant's obligation to comply with all Legal Requirements as provided herein is a material part of the bargained for consideration under this Lease.

11.2 Regulatory Approvals

(a) Responsible Party

Tenant understands and agrees that Tenant's use of the Premises and construction of the Tenant Improvements permitted hereunder may require authorizations, approvals or permits from governmental regulatory agencies with jurisdiction over the Premises, including, without limitation, City agencies, State of California and federal agencies. Tenant shall be solely responsible for obtaining any and all such regulatory approvals. Tenant shall not seek any regulatory approval without first obtaining the written consent of City under this Lease. Tenant shall bear all costs associated with applying for and obtaining any necessary or appropriate regulatory approval and shall be solely responsible for satisfying any and all conditions imposed by regulatory agencies as part of a regulatory approval; provided, however, any such condition that could affect use or occupancy of the Property or City's interest therein must first be approved by City in its sole discretion. Any fines or penalties levied as a result of Tenant's failure to comply with the terms and conditions of any regulatory approval shall be immediately paid and discharged by Tenant, and City shall have no liability, monetary or otherwise, for any such fines or penalties. Tenant shall Indemnify City and the other Indemnified Parties hereunder against all Claims (as such terms are defined in Section 18.2 (Tenant's Indemnity) below) arising in connection with Tenant's failure to obtain or failure by Tenant, its Agents or Invitees to comply with the terms and conditions of any regulatory approval.

(b) City Acting as Owner of Real Property

Tenant further understands and agrees that City is entering into this Lease in its capacity as a property owner with a proprietary interest in the Premises and not as a regulatory agency with police powers. Nothing in this Lease shall limit in any way Tenant's obligation to obtain any required approvals from City officials, departments, boards or commissions having jurisdiction over the Premises. By entering into this Lease, City is in no way modifying or limiting Tenant's obligation to cause the Premises to be used and occupied in accordance with all applicable laws, as provided further above.

11.3 Compliance with City's Risk Management Requirements

Tenant shall faithfully observe, at no cost to the City, any and all requirements of City's Risk Manager with respect to Tenant's use and occupancy of the Premises, so long as such requirements do not unreasonably interfere with Tenant's use of the Premises or are otherwise connected with standard prudent commercial practices of other landlords.

12. SUBORDINATION

This Lease is and shall be subordinate to any reciprocal easement agreement, ground lease, facilities lease or other underlying lease and the lien of any mortgage or deed of trust and all renewals, modifications, consolidations, replacements and extensions of any of the foregoing, that may now exist or hereafter be executed by City affecting the Property, or any part thereof, or City's interest therein, without the necessity of executing any instrument to effectuate such subordination; provided, however, upon City's request, Tenant, or Tenant's successor-in-interest, shall execute and deliver any and all instruments desired by City evidencing such subordination in the manner requested by City. Notwithstanding the foregoing, City or the holder shall, in its respective discretion, have the right to subordinate any such interests to this Lease. If any ground lease or underlying lease terminates for any reason or any mortgage or deed of trust is foreclosed or a conveyance in lieu of foreclosure is made for any reason, Tenant shall attorn to the successor-in-interest to City, at the option of such successor-in-interest. The provisions of this Section shall be self-operative and no further instrument shall be required. Tenant agrees, however, to execute and deliver, upon demand by City and in the form requested by City, any additional documents evidencing the priority or subordination of this Lease.

13. INABILITY TO PERFORM

If City is unable to perform or is delayed in performing any of City's obligations under this Lease, by reason of acts of God, accidents, breakage, repairs, strikes, lockouts, other labor disputes, protests, riots, demonstrations, inability to obtain utilities or materials or by any other reason beyond City's reasonable control, no such inability or delay shall constitute an eviction under this Lease, or impose any liability upon City or its Agents by reason of inconvenience, annoyance, interruption, injury or loss to or interference with Tenant's business or use and occupancy or quiet enjoyment of the Premises or any loss or damage occasioned thereby. Tenant waives and releases any right to terminate this Lease under Section 1932, subdivision 1 of the California Civil Code or any similar Legal Requirements.

14. DAMAGE AND DESTRUCTION

14.1 Damage and Destruction

If the Premises or the Building is damaged by fire or other casualty, then City shall repair the same provided that funds for such repairs are appropriated by City's Board of Supervisors, in its sole discretion, for such purpose and that such repairs can be made within two hundred ten (210) days after the date of such damage (the "**Repair Period**"). In the event such conditions are

satisfied, this Lease shall remain in full force and effect except that Tenant shall be entitled to a proportionate reduction of Base Rent and Additional Charges during the period of such damage and such repairs.

City shall use reasonable efforts to notify Tenant within ninety (90) days after the date of such damage whether or not such repairs can be made within the Repair Period, and City's determination thereof shall be binding on Tenant. If such repairs cannot be made within the Repair Period, City shall have the option to notify Tenant of: **(a)** City's intention to repair such damage and diligently prosecute such repairs to completion within a reasonable period after the Repair Period, subject to the Board of Supervisor's appropriation of all necessary funds, in which event this Lease shall continue in full force and effect and Tenant shall be entitled to a proportionate reduction of Base Rent and Additional Charges; or **(b)** City's election to terminate this Lease as of a date specified in such notice, which date shall be not less than thirty (30) nor more than sixty (60) days after notice is given by City. In case of termination, the Base Rent and Additional Charges shall be reduced as provided above, and Tenant shall pay such reduced Base Rent and Additional Charges up to the date of the event which occasioned such damage.

If at any time during the last twelve (12) months of the Term of this Lease, the Premises or the Building is damaged or destroyed, then either City or Tenant may terminate this Lease by giving written notice to the other party of its election to do so within thirty (30) days after the date of the occurrence of such damage; provided, however, Tenant may terminate only if such damage or destruction substantially impairs its use or occupancy of the Premises for the uses permitted hereunder. The effective date of termination shall be specified in the notice of termination, which date shall not be more than thirty (30) days from the date of the notice.

Notwithstanding anything to the contrary in this Lease, City shall have no obligation to repair the Premises or the Building in the event the damage or destruction is attributable to any act or omission of Tenant, its Agents or Invitees. In no event shall City be required to repair any damage to Tenant's Personal Property or any paneling, decorations, railings, floor coverings, or any Tenant Improvements or Alterations installed or made on the Premises by or at the expense of Tenant. In the event the Premises or the Building is substantially damaged or destroyed and City intends to rebuild for public purposes inconsistent with this Lease, City may terminate this Lease upon written notice to Tenant.

14.2 Waiver

City and Tenant intend that the provisions of this Section govern fully in the event of any damage or destruction and accordingly, City and Tenant each hereby waives the provisions of Section 1932, subdivision 2, Section 1933, subdivision 4 and Sections 1941 and 1942, of the Civil Code of California or under any similar law, statute or ordinance now or hereafter in effect.

15. EMINENT DOMAIN

15.1 Definitions

(a) "Taking" means a taking or damaging, including severance damage, by eminent domain, inverse condemnation or for any public or quasi-public use under law. A Taking may occur pursuant to the recording of a final order of condemnation, or by voluntary sale or conveyance in lieu of condemnation or in settlement of a condemnation action.

(b) "Date of Taking" means the earlier of **(i)** the date upon which title to the portion of the Property taken passes to and vests in the condemnor or **(ii)** the date on which Tenant is dispossessed.

(c) "Award" means all compensation, sums or anything of value paid, awarded or received for a Taking, whether pursuant to judgment, agreement, settlement or otherwise.

(d) "Improvements Pertaining to the Realty" means machinery or equipment installed for use on the Property that cannot be removed without a substantial economic loss or without substantial damage to the property on which it is installed, regardless of the method of installation. In determining whether particular property can be removed "without a substantial economic loss," the value of the machinery or equipment in place and considered as part of the realty should be compared with its value if it were removed and sold.

15.2 General

If during the Term or during the period between the execution of this Lease and the Commencement Date, there is any Taking of all or any part of the Premises or any interest in this Lease, the rights and obligations of the parties hereunder shall be determined pursuant to this Section. City and Tenant intend that the provisions hereof govern fully in the event of a Taking and accordingly, the parties each hereby waive any right to terminate this Lease in whole or in part under Sections 1265.110, 1265.120, 1265.130 and 1265.140 of the California Code of Civil Procedure or under any similar law now or hereafter in effect.

15.3 Total Taking; Automatic Termination

If there is a total Taking of the Premises, then this Lease shall terminate as of the Date of Taking.

15.4 Partial Taking; Election to Terminate

(a) If there is a Taking of any portion (but less than all) of the Premises, then this Lease shall terminate in its entirety under either of the following circumstances: (i) if all of the following exist: (A) the partial Taking renders the remaining portion of the Premises untenable or unsuitable for continued use by Tenant, (B) the condition rendering the Premises untenable or unsuitable either is not curable or is curable but City is unwilling or unable to cure such condition, and (C) Tenant elects to terminate; or (ii) if City elects to terminate; provided, however, that this Lease shall not terminate if Tenant agrees to, and does, pay full Rent and Additional Charges, without abatement, and otherwise agrees to, and does, fully perform all of its obligations hereunder.

(b) If there is a partial Taking of a substantial portion of the Building but not the Premises, City shall have the right to terminate this Lease in its entirety.

(c) Either party electing to terminate under the provisions of this Section 15 shall do so by giving the other party written notice to the other party before or within thirty (30) days after the Date of Taking, and thereafter this Lease shall terminate upon the later of the thirtieth (30th) day after such written notice is given or the Date of Taking.

15.5 Termination of Lease; Rent and Award

Upon termination of this Lease in its entirety pursuant to Section 15.3 (Total Taking; Automatic Termination), or pursuant to an election under Section 15.4 (Partial Taking, Election to Terminate) above, then: (a) Tenant's obligation to pay Rent shall continue up until the date of termination and thereafter shall cease, and (b) City shall be entitled to the entire Award in connection therewith (including, but not limited to, any portion of the Award made for the value of the leasehold estate created by this Lease and any Improvements Pertaining to the Realty), and Tenant shall have no claim against City for the value of any unexpired term of this Lease,

provided that Tenant may make a separate claim for compensation, and Tenant shall receive any Award made specifically to Tenant, for Tenant's relocation expenses or the interruption of or damage to Tenant's business or damage to movable Tenant's Personal Property.

15.6 Partial Taking; Continuation of Lease

If there is a partial Taking of the Premises under circumstances where this Lease is not terminated in its entirety under Section 15.4 (Partial Taking; Election to Terminate) above, then this Lease shall terminate as to the portion of the Premises so taken, but shall remain in full force and effect as to the portion not taken, and the rights and obligations of the parties shall be as follows: **(a)** Base Rent shall be reduced by an amount that is in the same ratio to the Base Rent as the area of the Premises taken bears to the area of the Premises prior to the Date of Taking; provided, however, in no event shall the monthly Base Rent be reduced to less than seventy-five percent (75%) of the monthly Base Rent immediately prior to the Date of Taking, and **(b)** City shall be entitled to the entire Award in connection therewith (including, but not limited to, any portion of the Award made for the value of the leasehold estate created by this Lease), and Tenant shall have no claim against City for the value of any unexpired term of this Lease, provided that Tenant may make a separate claim for compensation, and Tenant shall receive any Award made specifically to Tenant, for Tenant's relocation expenses or the interruption of or damage to Tenant's business or damage to movable Tenant's Personal Property.

15.7 Temporary Takings

Notwithstanding anything to contrary in this Section, if a Taking occurs with respect to all or any part of the Premises for a limited period of time not in excess of one hundred eighty (180) consecutive days, this Lease shall remain unaffected thereby, and Tenant shall continue to pay Rent and to perform all of the terms, conditions and covenants of this Lease. In the event of such temporary Taking, Tenant shall be entitled to receive that portion of any Award representing compensation for the use or occupancy of the Premises during the Term up to the total Rent owing by Tenant for the period of the Taking, and City shall be entitled to receive the balance of any Award.

16. NO ASSIGNMENT OR SUBLETTING

Tenant shall not directly or indirectly (including, without limitation, by merger, acquisition or other transfer of any controlling interest in Tenant), voluntarily or by operation of law, sell, assign, encumber, pledge or otherwise transfer any part of its interest in or rights with respect to the Premises or its leasehold estate hereunder (collectively, an "**Assignment**").

17. DEFAULT; REMEDIES

17.1 Events of Default

Any of the following shall constitute an event of default (the "**Event of Default**") by Tenant hereunder:

(a) a failure to pay Base Rent or Additional Charges when due, and such failure continues for three (3) days after the date of written notice by City. However, City shall not be required to provide such notice more than twice during any twelve (12)-month period, and any such failure by Tenant after Tenant has received two (2) such notices in such twelve (12)-month period shall constitute a default by Tenant hereunder without any further action by City or opportunity of Tenant to cure except as may be required by Section 1161 of the California Code of Civil Procedure;

(b) a failure to comply with any other covenant, condition or representation made under this Lease and such failure continues for fifteen (15) days after the date of written notice by City, provided that if such default is not capable of cure within such fifteen (15)-day period, Tenant shall have a reasonable period to complete such cure if Tenant promptly undertakes action to cure such default within such fifteen (15)-day period and thereafter diligently prosecutes the same to completion within sixty (60) days after the receipt of notice of default from City. City shall not be required to provide such notice more than twice in any twelve (12)-month period with respect to any material non-monetary defaults and after the second notice in any calendar year, any subsequent failure by Tenant during such twelve (12)-month period shall constitute an Event of Default hereunder;

(c) a vacation or abandonment of the Premises for a continuous period in excess of five (5) business days; or

(d) an appointment of a receiver to take possession of all or substantially all of the assets of Tenant, or an assignment by Tenant for the benefit of creditors, or any action taken or suffered by Tenant under any insolvency, bankruptcy, reorganization, moratorium or other debtor relief act or statute, whether now existing or hereafter amended or enacted, if any such receiver, assignment or action is not released, discharged, dismissed or vacated within sixty (60) days.

17.2 Remedies

Upon the occurrence of an Event of Default City shall have the following remedies, which shall not be exclusive but shall be cumulative and shall be in addition to any other remedies now or hereafter allowed by law or in equity:

(a) City may terminate Tenant's right to possession of the Premises at any time by written notice to Tenant. Tenant expressly acknowledges that in the absence of such written notice from City, no other act of City, including, but not limited to, its re-entry into the Premises, its efforts to relet the Premises, its reletting of the Premises for Tenant's account, its storage of Tenant's Personal Property and trade fixtures, its acceptance of keys to the Premises from Tenant, its appointment of a receiver, or its exercise of any other rights and remedies under this Section 17.2 or otherwise at law, shall constitute an acceptance of Tenant's surrender of the Premises or constitute a termination of this Lease or of Tenant's right to possession of the Premises.

Upon such termination in writing of Tenant's right to possession of the Premises, this Lease shall terminate and City shall be entitled to recover damages from Tenant as provided in California Civil Code Section 1951.2 or any other applicable existing or future Legal Requirement providing for recovery of damages for such breach, including but not limited to the following:

(i) The reasonable cost of recovering the Premises; plus

(ii) Intentionally omitted.

(iii) All unpaid rent due or earned hereunder prior to the date of termination, together with interest at the Interest Rate, on such sums from the date such rent is due and payable until the date of the award of damages; plus

(iv) The amount by which the rent which would be payable by Tenant hereunder, not including Additional Charges under Section 4.3 (Additional Charges) above, as reasonably estimated by City, from the date of termination until the date of the award of damages, exceeds the amount of such rental loss as Tenant proves could have been reasonably

avoided, together with interest at the Interest Rate on such sums from the date such rent is due and payable until the date of the award of damages; plus

(v) Intentionally omitted.

(vi) Such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time by applicable law, including without limitation any other amount necessary to compensate City for all the detriment proximately caused by Tenant's failure to perform its obligations under this Lease which in the ordinary course of things would be likely to result therefrom.

(b) City has the remedy described in California Civil Code Section 1951.4 (a landlord may continue the lease in effect after the tenant's breach and abandonment and recover rent as it becomes due, if the tenant has the right to sublet and assign subject only to reasonable limitations), and may continue this Lease in full force and effect and may enforce all of its rights and remedies under this Lease, including, but not limited to, the right to recover rent as it becomes due. After the occurrence of an Event of Default, City may enter the Premises without terminating this Lease and sublet all or any part of the Premises for Tenant's account to any person, for such term (which may be a period beyond the remaining term of this Lease), at such rents and on such other terms and conditions as City deems advisable. In the event of any such subletting, rents received by City from such subletting shall be applied (i) first, to the payment of the costs of maintaining, preserving, altering and preparing the Premises for subletting, the other costs of subletting, including but not limited to brokers' commissions, attorneys' fees and expenses of removal of Tenant's Personal Property, trade fixtures and Alterations; (ii) second, to the payment of rent then due and payable hereunder; (iii) third, to the payment of future rent as the same may become due and payable hereunder; and (iv) fourth, the balance, if any, shall be paid to Tenant upon (but not before) expiration of the term of this Lease. If the rents received by City from such subletting, after application as provided above, are insufficient in any month to pay the rent due and payable hereunder for such month, Tenant shall pay such deficiency to City monthly upon demand. Notwithstanding any such subletting for Tenant's account without termination, City may at any time thereafter, by written notice to Tenant, elect to terminate this Lease by virtue of a previous Event of Default.

During the continuance of an Event of Default, for so long as City does not terminate Tenant's right to possession of the Premises, City shall not unreasonably withhold its consent to an assignment or sublease of Tenant's interest in the Premises or in this Lease.

(c) During the continuance of an Event of Default, City may enter the Premises without terminating this Lease and remove all Tenant's Personal Property, Alterations and trade fixtures from the Premises and store them at Tenant's risk and expense. If City removes such property from the Premises and stores it at Tenant's risk and expense, and if Tenant fails to pay the cost of such removal and storage after written demand therefor and/or to pay any rent then due, then after the property has been stored for a period of thirty (30) days or more City may sell such property at public or private sale, in the manner and at such times and places as City deems commercially reasonable following reasonable notice to Tenant of the time and place of such sale. The proceeds of any such sale shall be applied first to the payment of the expenses for removal and storage of the property, the preparation for and the conducting of such sale, and for attorneys' fees and other legal expenses incurred by City in connection therewith, and the balance shall be applied as provided in Section 17.2(b) above.

Tenant hereby waives all claims for damages that may be caused by City's reentering and taking possession of the Premises or removing and storing Tenant's Personal Property pursuant to this Section 17.2, and Tenant shall indemnify, defend and hold City harmless from and against any and all Claims resulting from any such act. No reentry by City shall constitute or be construed as a forcible entry by City.

(d) City may require Tenant to remove any and all Alterations from the Premises or, if Tenant fails to do so within ten (10) days after City's request, City may do so at Tenant's expense.

(e) City may cure the Event of Default at Tenant's expense, it being understood that such performance shall not waive or cure the subject Event of Default. If City pays any sum or incurs any expense in curing the Event of Default, Tenant shall reimburse City upon demand for the amount of such payment or expense with interest at the Interest Rate from the date the sum is paid or the expense is incurred until City is reimbursed by Tenant. Any amount due City under this subsection shall constitute additional rent hereunder.

17.3 Waiver of Redemption

Tenant hereby waives, for itself and all persons claiming by and under Tenant, all rights and privileges which it might have under any present or future Legal Requirement to redeem the Premises or to continue this Lease after being dispossessed or ejected from the Premises.

17.4 City's Right to Cure Tenant's Defaults

If Tenant defaults in the performance of any of its obligations under this Lease, then City may, at its sole option, remedy such default for Tenant's account and at Tenant's expense by providing Tenant with three (3) days' prior written or oral notice of City's intention to cure such default (except that no such prior notice shall be required in the event of an emergency as determined by City). Such action by City shall not be construed as a waiver of such default or any rights or remedies of City, and nothing herein shall imply any duty of City to do any act that Tenant is obligated to perform. Tenant shall pay to City upon demand, as additional rent, all costs, damages, expenses or liabilities incurred by City, including, without limitation, reasonable attorneys' fees, in remedying or attempting to remedy such default. Tenant's obligations under this Section shall survive the termination of this Lease.

18. WAIVER OF CLAIMS; INDEMNIFICATION

18.1 Limitation on City's Liability; Waiver of Claims

City shall not be responsible for or liable to Tenant, and Tenant hereby assumes the risk of, and waives and releases City and its Agents from all Claims (as defined below) for, any injury, loss or damage to any person who is a guest or invitee of the Tenant, or their property in or about the Premises. Nothing in this Section shall relieve City from liability caused by the negligence or willful misconduct of City or its Agents.

18.2 Tenant's Indemnity

Tenant, on behalf of itself and its successors and assigns, shall indemnify, defend and hold harmless ("**Indemnify**") City including, but not limited to, all of its boards, commissions, departments, agencies and other subdivisions, including, without limitation, its Real Estate Division, and all of its and their Agents, and their respective heirs, legal representatives, successors and assigns (individually and collectively, the "**Indemnified Parties**"), and each of them, from and against any and all liabilities, losses, costs, claims, judgments, settlements, damages, liens, fines, penalties and expenses, including, without limitation, direct and vicarious liability of every kind (collectively, "**Claims**"), incurred in connection with or arising in whole or in part from: (a) Tenant's use of the Premises; (b) any default by Tenant in the observation or performance of any of the terms, covenants or conditions of this Lease to be observed or performed on Tenant's part; (c) the use or occupancy or manner of use or occupancy of the Premises by Tenant, its Agents or Invitees or any person or entity claiming through or under any of them; (d) the condition of the Premises; (e) any construction or other work undertaken by

Tenant on the Premises whether before or during the Term of this Lease; or **(f)** any acts, omissions or negligence of Tenant, its Agents or Invitees, in, on or about the Premises or the Property, except to the extent that such Indemnity is void or otherwise unenforceable under applicable law in effect on or validly retroactive to the date of this Lease and further except only such Claims as are caused exclusively by the willful misconduct or negligence of the Indemnified Parties. The foregoing Indemnity shall include, without limitation, reasonable fees of attorneys, consultants and experts and related costs and City's costs of investigating any Claim. Tenant specifically acknowledges and agrees that it has an immediate and independent obligation to defend the City from any claim which falls within this indemnity provision even if such allegation is or may be groundless, fraudulent or false, which obligation arises at the time such claim is tendered to Tenant by City and continues at all times thereafter, subject to any reservation of rights Tenant may assert. Tenant's obligations under this Section shall survive the termination of this Lease.

19. INSURANCE

19.1 Tenant's Insurance

(a) Tenant, at no cost to the City, shall procure and keep in effect at all times during the Term insurance as follows:

(i) Commercial General Liability Insurance with limits not less than Two Million Dollars (\$2,000,000) each occurrence Combined Single Limit for Bodily Injury and Property Damage, including coverages for Contractual liability, Personal Injury, Independent Contractors, Explosion, Collapse and Underground (XCU), Broadform Property Damage, Sudden and Accidental Pollution, fire damage legal liability (of not less than Fifty Thousand Dollars (\$50,000)), Products and Completed operations.

(ii) Worker's Compensation Insurance with Employer's Liability Limits not less than One Million Dollars (\$1,000,000) each accident.

(iii) Business automobile liability insurance with limits not less than One Million Dollars (\$1,000,000) each occurrence combined single limit for bodily injury and property damage, including owned and non-owned and hired vehicles, as applicable.

(iv) During any construction or improvement work, such additional insurance as may be required by City, including Builders Risk Insurance on an "All Risk" basis with limits approved by the Director of Property.

(v) Such other insurance as is generally required by commercial owners of buildings similar in size, character, age and location as the Building, as may change from time to time.

(b) Should any of the required insurance be provided under a claims-made form, Tenant shall maintain such coverage continuously throughout the Term and, without lapse, for a period of three (3) years beyond the expiration or termination of this Lease, to the effect that, should occurrences during the Term give rise to claims made after expiration or termination of this Lease, such claims shall be covered by such claims-made policies.

(c) Should any of the required insurance be provided under a form of coverage that includes a general annual aggregate limit or provides that claims investigation or legal defense costs be included in such general annual aggregate limit, such general aggregate limit shall double the occurrence or claims limits specified above.

(d) All liability insurance policies shall be endorsed to provide the following:

(i) Name as additional insured the City and County of San Francisco, its officers, agents and employees.

(ii) That such policies are primary insurance to any other insurance available to the additional insureds, with respect to any claims arising out of this Lease, and that insurance applies separately to each insured against whom claim is made or suit is brought.

(e) Each insurance policy required pursuant to Section 19.1(a) above shall be issued by an insurance company licensed in the State of California and with a general policyholders' rating of "A-" or better and a financial size ranking of "Class VIII" or higher in the most recent edition of Best's Insurance Guide.

(f) All insurance policies required to be maintained by Tenant hereunder shall be endorsed to provide thirty (30) days' prior written notice of cancellation for any reason, intended non-renewal, or reduction in coverage to both Tenant and City. Notice to City shall be mailed to the address(es) for City set forth in the Basic Lease Information.

(g) Tenant shall deliver to City certificates of insurance and additional insured policy endorsements from insurers in a form satisfactory to City, evidencing the coverage required hereunder, on or before the Commencement Date, together with complete copies of the policies promptly upon City's request, and Tenant shall provide City with certificates or policies thereafter at least thirty (30) days before the expiration dates of expiring policies. In the event Tenant shall fail to procure such insurance, or to deliver such policies or certificates, City may procure, at its option, without waiving any rights or remedies which City may have for Tenant's default hereunder, the same for the account of Tenant, and the cost thereof shall be paid to City within five (5) days after delivery to Tenant of bills therefor.

(h) Upon City's request, Tenant and City shall periodically review the limits and types of insurance carried pursuant to this Section. If the general commercial practice in the City and County of San Francisco is to carry liability insurance in an amount or coverage materially greater than the amount or coverage then being carried by Tenant for risks comparable to those associated with the Premises, then Tenant shall, at City's request, increase the amounts or coverage carried by Tenant to conform to such general commercial practice.

(i) Approval of any insurance by City shall not relieve or decrease the liability of Tenant hereunder.

(j) If a subcontractor will be used to complete any portion of the capital improvements as set forth in this Lease and its attachments, the Tenant shall ensure that the subcontractor shall provide all necessary insurance and shall name the City and County of San Francisco, its officers, agents, and employees and the Tenant as additional insureds.

(k) Tenant's compliance with the provisions of this Section shall in no way relieve or decrease Tenant's liability under Section 18.2 (Tenant's Indemnity), or any of Tenant's other obligations under this Lease.

(l) Notwithstanding anything to the contrary in this Lease, if any of the required insurance coverage lapses, this Lease shall terminate upon three (3) days' notice to Tenant, unless Tenant renews the insurance coverage within notice period.

19.2 Tenant's Personal Property

Tenant shall be responsible, at no cost to the City, for separately insuring Tenant's Personal Property.

19.3 City's Self Insurance

Tenant acknowledges that City self-insures against casualty, property damage and public liability risks and agrees that City may at its sole election, but shall not be required to, carry any third party insurance with respect to the Building, the Premises or otherwise.

19.4 Waiver of Subrogation

Notwithstanding anything to the contrary in this Lease, City and Tenant (each a "**Waiving Party**") each hereby waives any right of recovery against the other party for any loss or damage relating to the Building or the Premises or any operations or contents therein, whether or not such loss is caused by the fault or negligence of such other party, to the extent such loss or damage is covered by third party insurance that is required to be purchased by the Waiving Party under this Lease or is actually covered by insurance held by the Waiving Party or its agents. Each Waiving Party agrees to obtain a waiver of subrogation rights endorsements from applicable insurance carriers issuing policies relating to the Building or the Premises; provided, the failure to obtain any such endorsement shall not affect the above waiver.

20. ACCESS BY CITY

City reserves for itself and any of its designated Agents, the right to enter the Premises as follows: **(a)** on a regular basis without advance notice to supply any necessary or agreed-upon service to be provided by City hereunder; **(b)** on an occasional basis, at all reasonable times after giving Tenant reasonable advance written or oral notice, to show the Premises to prospective tenants or other interested parties, to post notices of non-responsibility, to conduct any environmental audit of Tenant's use of the Premises, to repair, alter or improve any part of the Building, Building Systems or the Premises, and for any other lawful purpose; **(c)** on an emergency basis without notice whenever City believes that emergency access is required; and, **(d)** on City Days. City shall have the right to use any means that it deems proper to open doors in an emergency in order to obtain access to any part of the Premises, and any such entry shall not be construed or deemed to be a forcible or unlawful entry into or a detainer of, the Premises, or an eviction, actual or constructive, of Tenant from the Premises or any portion thereof. Tenant shall not alter any lock or install any new or additional locking devices without the prior written consent of City. All locks installed in the Premises (excluding Tenant's vaults, safes or special security areas, if any, designated by Tenant in writing to City) shall be keyed to the Building master key system, and City shall at all times have a key with which to unlock all such doors.

21. CERTIFICATES

21.1 Tenant's Estoppel Certificates

Tenant, at any time and from time to time upon not less than ten (10) days' prior notice from City, shall execute and deliver to City or to any party designated by City a certificate stating: **(a)** that Tenant has accepted the Premises, **(b)** the Commencement Date and Expiration Date of this Lease, **(c)** that this Lease is unmodified and in full force and effect (or, if there have been modifications, that the Lease is in full force and effect as modified and stating the modifications), **(d)** whether or not there are then existing any defenses against the enforcement of any of Tenant's obligations hereunder (and if so, specifying the same), **(e)** whether or not there are any defaults then existing under this Lease (and if so specifying the same), **(f)** the dates, if any, to which the Base Rent and Additional Charges have been paid, and **(g)** any other information that may be required.

21.2 City's Certificates

City, at any time and from time to time upon not less than ten (10) days' prior notice from Tenant, shall execute and deliver to Tenant or to any party designated by Tenant a certificate stating: (a) the Commencement Date and Expiration Date of this Lease, (b) that this Lease is unmodified and in full force and effect (or, if there have been modifications, that the Lease is in full force and effect as modified and stating the modifications), (c) whether or not there are any defaults then existing under this Lease (and if so specifying the same), (d) the dates, if any, to which the Base Rent and Additional Charges have been paid, and (e) any other information that may be required.

22. RULES AND REGULATIONS

Tenant shall faithfully comply with the rules and regulations attached to this Lease as Exhibit D (Building Rules and Regulations) and all modifications thereof and additions thereto that City may from time to time put into effect (the "**Rules and Regulations**"). City shall not be responsible for the non-performance of the Rules and Regulations by any other tenant or occupant of the Building. In the event of any conflict between any provision of this Lease and any provision of the Rules and Regulations, this Lease shall control.

23. SECURITY DEPOSIT

Prior to execution of this Lease, Tenant deposited with City the sum specified as the security deposit in the Basic Lease Information (the "**Security Deposit**"), to secure Tenant's faithful performance of all terms, covenants and conditions of this Lease. Tenant agrees that City may (but shall not be required to) apply the Security Deposit in whole or in part to remedy any damage to the Premises caused by Tenant, its Agents or Invitees, or any failure of Tenant to perform any other terms, covenants or conditions contained herein (including, but not limited to, the payment of Rent or other sum due hereunder either before or after a default), without waiving any of City's other rights and remedies hereunder or at law or in equity and without any obligation. Tenant understands and agrees that Landlord may apply some or all of the Security Deposit to the payment of future Rent following a Tenant default.

Should City use any portion of the Security Deposit to cure any default by Tenant hereunder, Tenant shall immediately replenish the Security Deposit to the original amount. City's obligations with respect to the Security Deposit are solely that of debtor and not trustee. City shall not be required to keep the Security Deposit separate from its general funds, and Tenant shall not be entitled to interest on the Security Deposit. The amount of the Security Deposit shall in no way limit the liabilities of Tenant under any provision of this Lease.

24. SURRENDER OF PREMISES

Upon the Expiration Date or other termination of the Term of this Lease, Tenant shall peaceably quit and surrender to City the Premises together with the Tenant Improvements and all Alterations approved by City in good order and condition, except for normal wear and tear after Tenant having made the last necessary repair required on its part under this Lease, and further except for any portion of the Premises condemned and any damage and destruction for which Tenant is not responsible hereunder. The Premises shall be surrendered free and clear of all liens and encumbrances other than liens and encumbrances existing as of the date of this Lease and any other encumbrances created by City. Immediately before the Expiration Date or other termination of this Lease, Tenant shall remove all of Tenant's Personal Property as provided in this Lease, and repair any damage resulting from the removal; provided, City in its sole discretion shall have the right to reserve ownership of any wire, cabling and/or conduit installed in the Premises or any other portion of the Building by or on behalf of Tenant. If such removal is not completed at the expiration or other termination of this Lease, City may remove the same

at Tenant's expense. Notwithstanding anything to the contrary in this Lease, City can elect at any time prior to the Expiration Date or within twenty (20) days after termination of this Lease, to require Tenant to remove, at Tenant's sole expense, all or part of the Tenant Improvements, Alterations or other improvements or equipment constructed or installed by or at the expense of Tenant including, but not limited to, any telecommunications equipment, wires, cabling and/or conduit installed in the Premises or any other portion of the Building by or on behalf of Tenant. Tenant shall promptly remove such items and shall repair, at no cost to the City, any damage to the Premises or the Building resulting from such removal, or if Tenant fails to repair, City may do so, at Tenant's expense. Tenant's obligations under this Section shall survive the Expiration Date or other termination of this Lease. Any items of Tenant's Personal Property remaining in the Premises after the Expiration Date or sooner termination of this Lease may, at City's option, be deemed abandoned and disposed of in accordance with Section 1980 et seq. of the California Civil Code or in any other manner allowed by law.

Concurrently with the surrender of the Premises, Tenant shall, if requested by City, execute, acknowledge and deliver to City a quitclaim deed to the Premises and any other instrument reasonably requested by City to evidence or otherwise effect the termination of Tenant's leasehold estate hereunder and to effect such transfer or vesting of title to the Tenant Improvements or other improvements or equipment which remain part of the Premises. The terms of this Section shall survive the expiration or sooner termination of this Lease.

25. REMOVAL OF ELECTRICAL AND TELECOMMUNICATIONS WIRES

25.1 City May Elect to Remove or Retain Wires

Within thirty (30) days after the expiration or sooner termination of this Lease or at any time that the Wires (as defined below) are no longer in active use by Tenant, City may elect by written notice to Tenant to: (a) retain any or all wires, cables and similar installations appurtenant thereto (the "Wires") installed by or on behalf of Tenant within the Premises or any portion of the Building outside the Premises, including, without limitation, the plenums or risers of the Building; (b) remove any or all of the Wires and restore the Premises or the Building, as the case may be, to their condition existing prior to the installation of the Wires (the "Wire Restoration Work"), at Tenant's sole cost and expense; or (c) require Tenant to perform all or part of the Wire Restoration Work at Tenant's sole cost and expense.

25.2 Compliance with Laws and Discontinuance of Wire Use

Tenant shall comply with all applicable laws with respect to the Wires, subject to City's right to elect to retain the Wires. Within thirty (30) days after Tenant discontinues the use of all or any part of the Wires, Tenant shall deliver to City written notice of such discontinuance, together with a plan or other reasonable description of the current type, quantity, points of commencement and termination, and routes of the Wires to allow City to determine if City desires to retain the Wires.

25.3 Condition of Wires

If City elects to retain any or all of the Wires, Tenant covenants that (a) Tenant is the sole owners of the Wires, Tenant has the sole right to surrender the Wires, and the Wires shall be free of all liens and encumbrances; and (b) all Wires shall be left in a good and safe working condition, properly labeled and capped or sealed at each end and in each telecommunications/electrical closet and junction box.

25.4 City's Right to Retain Security Deposit

Notwithstanding anything in this Lease to the contrary, City may retain Tenant's Security Deposit after the expiration or sooner termination of this Lease until one of the following events has occurred with respect to all of the Wires: (a) City elects to retain the Wires pursuant to Section 25.1(a); (b) City elects to perform the Wire Restoration Work pursuant to Section

25.1(b) and the Wire Restoration Work is complete and Tenant has fully reimbursed City for all costs related thereto; or (c) City elects to require Tenant to perform the Wire Restoration Work pursuant to Section 25.1(c), the Wire Restoration Work is complete, and Tenant has paid for all costs related thereto.

25.5 City Can Apply Security Deposit; Survival

If Tenant fails or refuses to pay all costs of the Wire Restoration Work within thirty (30) days of Tenant's receipt of City's notice requesting Tenant's reimbursement for or payment of such costs or otherwise fails to comply with the provisions of this Section, City may apply all or any portion of Tenant's Security Deposit toward the payment of any costs or expenses relating to the Wire Restoration Work or Tenant's obligations under this Section. The retention or application of the Security Deposit by City pursuant to this Section does not constitute a limitation on or waiver of City's right to seek further remedies under law of equity. The terms of this Section shall survive the expiration or sooner termination of this Lease.

26. HAZARDOUS MATERIALS

26.1 Definitions

As used herein, the following terms shall have the meanings set forth below:

(a) "Environmental Laws" shall mean any present or future federal, state, local or administrative law, rule, regulation, order or requirement relating to Hazardous Material (including, without limitation, its use, handling, transportation, production, disposal, discharge or storage), or to health and safety, industrial hygiene or the environment, including, without limitation, soil, air and groundwater conditions.

(b) "Hazardous Material" shall mean any material that, because of its quantity, concentration or physical or chemical characteristics, is at any time now or hereafter deemed by any federal, state or local governmental authority to pose a present or potential hazard to human health, welfare or safety or to the environment. Hazardous Material includes, without limitation, any material or substance defined as a "hazardous substance," or "pollutant" or "contaminant" pursuant to the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA", also commonly known as the "Superfund" law), as amended, (42 U.S.C. Section 9601 et seq.) or pursuant to Section 25316 of the California Health & Safety Code; any "hazardous waste" listed pursuant to Section 25140 of the California Health & Safety Code; and petroleum, including crude oil or any fraction thereof, natural gas or natural gas liquids.

(c) "Investigate and Remediate" ("Investigation" and "Remediation") shall mean the undertaking of any activities to determine the nature and extent of Hazardous Material that may be located in, on, under or about the Property or that has been, are being or threaten to be Released into the environment, and to clean up, remove, contain, treat, stabilize, monitor or otherwise control such Hazardous Material.

(d) "Release" when used with respect to Hazardous Material shall include any actual or imminent spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing into or inside the Premises, or in, on, under or about any other part of the Property or into the environment.

26.2 No Hazardous Materials

Tenant covenants and agrees that neither Tenant nor any of its Agents or Invitees shall cause or permit any Hazardous Material to be brought upon, kept, used, stored, generated or disposed of in, on or about the Property, or transported to or from the Property, with the sole exception that Tenant may keep and use such substances in the Premises in such reasonably limited amounts as are customarily used for general office purposes (such as copy toner and

other normal office and cleaning supplies) and may generate such substances as a result of measures taken pursuant to Articles 7 or 8 of this Lease that disturb or remove lead-based or presumed lead-based paint from the exterior or interior surfaces of the Premises so long as such disposal is in compliance with all applicable Environmental Laws at all times. Tenant shall give immediate written notice to City of: **(a)** any action, proceeding or inquiry by any governmental authority (including, without limitation, the California State Department of Health Services, the State or any Regional Water Quality Control Board, the Bay Area Air Quality Management district or any local governmental entity) against Tenant with respect to the presence or Release or suspected presence or Release of Hazardous Material on the Premises, Building or Property or the migration thereof from or to other property; **(b)** all demands or claims made or threatened by any third party against Tenant or the Premises, Building or Property relating to any loss or injury resulting from any Hazardous Materials; **(c)** any Release of Hazardous Material on or about the Premises or any other part of the Property has occurred that may require any Investigation or Remediation; and **(d)** all matters of which Tenant is required to give notice pursuant to Section 25359.7 of the California Health and Safety Code.

26.3 Tenant's Environmental Indemnity

If Tenant breaches any of its obligations contained in this Section, or, if any act or omission of Tenant, its Agents or Invitees, results in any Release of Hazardous Material in, on, under or about the Premises or any other part of the Property in violation of any applicable Environmental Laws then, without limiting Tenant's Indemnity contained in Section 18.2 (Tenant's Indemnity), Tenant shall, on behalf of itself and its successors and assigns, Indemnify the Indemnified Parties, and each of them, from and against all Claims arising during or after the Term of this Lease and relating to such Release. The foregoing Indemnity includes, without limitation, costs incurred in connection with activities undertaken to Investigate and Remediate Hazardous Material and to restore the Property to its prior condition, fines and penalties assessed for the violation of any applicable Environmental Laws, and any natural resource damages. Without limiting the foregoing, if Tenant or any of its Agents or Invitees, causes or permits the Release of any Hazardous Materials in, on, under or about the Premises or any other part of the Property, Tenant shall immediately and at no expense to City take any and all appropriate actions to return the Premises or the Property affected thereby to the condition existing prior to such Release and otherwise Investigate and Remediate the Release in accordance with all Environmental Laws. Tenant specifically acknowledges and agrees that it has an immediate and independent obligation to defend the City from any claim which falls within this indemnity provision even if such allegation is or may be groundless, fraudulent or false, which obligation arises at the time such claim is tendered to Tenant by the City and continues at all times thereafter. Tenant shall afford City a full opportunity to participate in any discussions with governmental regulatory agencies regarding any settlement agreement, cleanup or abatement agreement, consent decree, or other compromise or proceeding involving Hazardous Material.

26.4 Survival of Obligation

Tenant's obligations under this Section 26 shall survive the Expiration Date or other termination of this Lease.

26.5 Hazardous Substance Disclosure

California law requires landlords to disclose to tenants the presence or potential presence of certain Hazardous Materials. Accordingly, Tenant is hereby advised that occupation of the Premises may lead to exposure to Hazardous Materials such as, but not limited to, asbestos, gasoline, diesel and other vehicle fluids, office maintenance fluids, tobacco smoke, methane and building materials containing chemicals, such as formaldehyde. By execution of this Lease, Tenant acknowledges that the notices and warnings set forth above satisfy the requirements of California Health and Safety Code Section 25359.7 and related statutes.

27. SPECIAL PROVISIONS

27.1 Extension Option

(a) Option to Extend Term

City grants to Tenant three (3) options to extend the Term of this Lease as to the entire Premises (the "**Extension Option**") each for an additional one-year term (the "Extension Term") commencing upon the Expiration Date upon the following terms and conditions. Tenant may exercise the Extension Option at any time during the Term with the consent of the City, but if it determines to do so it must give written notice to City requesting an extension not less than ninety (90) days prior to the Expiration Date. Any such notice by Tenant shall be irrevocable by Tenant. City shall have ten (10) business days to accept or deny Tenant's request for extension. If City fails to respond within said 10-day period, City shall be deemed to have accepted Tenant's request for extension. If any event of default by Tenant is outstanding hereunder either at the time of Tenant's exercise of the Extension Option or at any time prior to the first day of the Extension Term (or if any event shall have occurred which with the giving of notice or the passage of time or both would constitute such a default), then City may elect by notice to Tenant to reject Tenant's exercise of the Extension Option, whereupon the Extension Option shall be null and void. City shall also have the right to void Tenant's Extension Option if Tenant has assigned its interest hereunder or sublet more than fifty percent (50%) of the Premises.

(b) Base Rent and Other Terms

If Tenant elects to exercise an Extension Option, then the lease for each Extension Term shall cover the entire Premises and shall be upon all of the terms, covenants and conditions of this Lease, except that Base Rent hereunder shall be increased by three (3%) percent for the one-year Extension Term.

28. GENERAL PROVISIONS

28.1 Notices

Any notice given under this Lease shall be effective only if in writing and given by delivering the notice in person or by sending it first-class mail or certified mail with a return receipt requested or by overnight courier, return receipt requested, with postage prepaid, to: (a) Tenant, (i) at Tenant's address set forth in the Basic Lease Information, if sent prior to Tenant's taking possession of the Premises, or (ii) at the Premises if sent on or subsequent to Tenant's taking possession of the Premises, or (iii) at any place where Tenant or any Agent of Tenant may be found if sent subsequent to Tenant's vacating, abandoning or surrendering the Premises; or (b) City, at City's address set forth in the Basic Lease Information; or (c) to such other address as either City or Tenant may designate as its new address for such purpose by notice given to the other in accordance with the provisions of this Section at least ten (10) days prior to the effective date of such change. Any notice hereunder shall be deemed to have been given two (2) days after the date when it is mailed if sent by first class or certified mail, one day after the date it is made if sent by overnight courier, or upon the date personal delivery is made. For convenience of the parties, copies of notices may also be given by telefacsimile to the telephone number set forth in the Basic Lease Information or such other number as may be provided from time to time; however, neither party may give official or binding notice by facsimile. Tenant shall promptly provide City with copies of any and all notices received regarding any alleged violation of laws or insurance requirements or any alleged unsafe condition or practice.

28.2 No Implied Waiver

No failure by City to insist upon the strict performance of any obligation of Tenant under this Lease or to exercise any right, power or remedy arising out of a breach thereof, irrespective of the length of time for which such failure continues, no acceptance of full or partial Base Rent, Participation Rent, or Additional Charges during the continuance of any such breach, and no acceptance of the keys to or possession of the Premises prior to the expiration of the Term by any Agent of City, shall constitute a waiver of such breach or of City's right to demand strict compliance with such term, covenant or condition or operate as a surrender of this Lease. No express written waiver of any default or the performance of any provision hereof shall affect any other default or performance, or cover any other period of time, other than the default, performance or period of time specified in such express waiver. One or more written waivers of a default or the performance of any provision hereof shall not be deemed to be a waiver of a subsequent default or performance. Any consent by City hereunder shall not relieve Tenant of any obligation to secure the consent of City in any other or future instance under the terms of this Lease.

28.3 Amendments

Neither this Lease nor any terms or provisions hereof may be changed, waived, discharged or terminated, except by a written instrument signed by the party against which the enforcement of the change, waiver, discharge or termination is sought. No waiver of any breach shall affect or alter this Lease, but each and every term, covenant and condition of this Lease shall continue in full force and effect with respect to any other then-existing or subsequent breach thereof. Whenever this Lease requires or permits the giving by City of its consent or approval, the Director of Property, or his or her designee shall be authorized to provide such approval, except as otherwise provided by applicable law, including the Charter. Any amendments or modifications to this Lease, including, without limitation, amendments to or modifications to the exhibits to this Lease, shall be subject to the mutual written agreement of City and Tenant, and City's agreement may be made upon the sole approval of the Director of Property, or his or her designee; provided, however, material amendments or modifications to this Lease **(a)** changing the legal description of the Premises, **(b)** increasing the Term, **(c)** increasing the Rent, **(d)** changing the general use of the Premises from the use authorized under Section 5.1 (Permitted Use) of this Lease, and **(e)** any other amendment or modification which materially increases the City's liabilities or financial obligations under this Lease shall additionally require the approval of the City's Board of Supervisors.

28.4 Authority

If Tenant signs as a corporation or a partnership, each of the persons executing this Lease on behalf of Tenant does hereby covenant and warrant that Tenant is a duly authorized and existing entity, that Tenant has and is qualified to do business in California, that Tenant has full right and authority to enter into this Lease, and that each and all of the persons signing on behalf of Tenant are authorized to do so. Upon City's request, Tenant shall provide City with evidence reasonably satisfactory to City confirming the foregoing representations and warranties.

28.5 Parties and Their Agents; Approvals

The words "City" and "Tenant" as used herein shall include the plural as well as the singular. If there is more than one Tenant, the obligations and liabilities under this Lease imposed on Tenant shall be joint and several. As used herein, the term "Agents" when used with respect to either party shall include the agents, employees, officers, contractors and representatives of such party, and the term "Invitees" when used with respect to Tenant shall include the clients, customers, invitees, guests, licensees, assignees or subtenants of Tenant. All approvals, consents or other determinations permitted or required by City hereunder shall be

made by or through City's Director of Property unless otherwise provided in this Lease, subject to applicable law.

28.6 Interpretation of Lease

The captions preceding the articles and sections of this Lease and in the table of contents have been inserted for convenience of reference only and such captions shall in no way define or limit the scope or intent of any provision of this Lease. This Lease has been negotiated at arm's length and between persons sophisticated and knowledgeable in the matters dealt with herein and shall be interpreted to achieve the intents and purposes of the parties, without any presumption against the party responsible for drafting any part of this Lease. Provisions in this Lease relating to number of days shall be calendar days, unless otherwise specified, provided that if the last day of any period to give notice, reply to a notice or to undertake any other action occurs on a Saturday, Sunday or a bank or City holiday, then the last day for undertaking the action or giving or replying to the notice shall be the next succeeding business day. Use of the word "including" or similar words shall not be construed to limit any general term, statement or other matter in this Lease, whether or not language of non-limitation, such as "without limitation" or similar words, are used.

28.7 Successors and Assigns

Subject to the provisions of this Lease relating to Assignment and Subletting, the terms, covenants and conditions contained in this Lease shall bind and inure to the benefit of City and Tenant and, except as otherwise provided herein, their personal representatives and successors and assigns; provided, however, that upon any sale, assignment or transfer by City named herein (or by any subsequent landlord) of its interest in the Building as owner or lessee, including any transfer by operation of law, City (or any subsequent landlord) shall be relieved from all subsequent obligations and liabilities arising under this Lease subsequent to such sale, assignment or transfer.

28.8 Brokers

Neither party has had any contact or dealings regarding the leasing of the Premises, 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 the lease contemplated herein except as identified in the Basic Lease Information, whose commission, if any is due, shall be paid pursuant to a separate written agreement between such broker and the party through which such broker contracted. In the event that 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 a claim shall be responsible for such commission or fee and shall Indemnify the other party from any and all Claims incurred by the indemnified party in defending against the same. The provisions of this Section shall survive any termination of this Lease.

28.9 Severability

If any provision of this Lease or the application thereof to any person, entity or circumstance shall be invalid or unenforceable, the remainder of this Lease, or the application of such provision to persons, entities or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each other provision of this Lease shall be valid and be enforceable to the fullest extent permitted by law, except to the extent that enforcement of this Lease without the invalidated provision would be unreasonable or inequitable under all the circumstances or would frustrate a fundamental purpose of this Lease.

28.10 Governing Law

This Lease shall be construed and enforced in accordance with the laws of the State of California and the City's Charter.

28.11 Entire Agreement

This instrument, including the exhibits hereto, which are made a part of this Lease, contains the entire agreement between the parties and all prior written or oral negotiations, understandings and agreements are merged herein. The parties further intend that this Lease shall constitute the complete and exclusive statement of its terms and that no extrinsic evidence whatsoever (including prior drafts hereof and changes therefrom) may be introduced in any judicial, administrative or other legal proceeding involving this Lease. Tenant hereby acknowledges that neither City nor City's Agents have made any representations or warranties with respect to the Premises, the Building or this Lease except as expressly set forth herein, and no rights, easements or licenses are or shall be acquired by Tenant by implication or otherwise unless expressly set forth herein.

28.12 Attorneys' Fees

In the event that either City or Tenant fails to perform any of its obligations under this Lease or in the event a dispute arises concerning the meaning or interpretation of any provision of this Lease, the defaulting party or the non-prevailing party in such dispute, as the case may be, shall pay the prevailing party reasonable attorneys' and experts' fees and costs, and all court costs and other costs of action incurred by the prevailing party in connection with the prosecution or defense of such action and enforcing or establishing its rights hereunder (whether or not such action is prosecuted to a judgment). For purposes of this Lease, the terms "court costs and reasonable attorneys' fees" shall mean the fees and expenses of counsel to the Parties, which may include printing, duplicating and other expenses, air freight charges, hiring of experts, and fees billed for law clerks, paralegals, librarians and others not admitted to the bar but performing services under the supervision of an attorney. The term "court costs and attorneys' fees" shall also include, without limitation, all such fees and expenses incurred with respect to appeals, mediation, arbitrations, and bankruptcy proceedings, and whether or not any action is brought with respect to the matter for which such fees and costs were incurred. For the purposes of this Lease, reasonable fees of attorneys of City's Office of the City Attorney shall be based on the fees regularly charged by private attorneys with the equivalent number of years of experience in the subject matter area of the law for which the City Attorney's services were rendered who practice in the City of San Francisco in law firms with approximately the same number of attorneys as employed by the Office of the City Attorney.

28.13 Holding Over

If Tenant retains possession of any portion of the Premises after the expiration or the earlier termination of this Lease, then unless City expressly agrees to the holdover in writing, Tenant shall pay City, on a month-to-month basis Base Rent equal to two hundred percent (200%) of the latest Base Rent payable by Tenant hereunder prior to such expiration, together with an amount estimated by City for the monthly Additional Charges payable under this Lease, and shall otherwise be on the terms and conditions herein specified so far as applicable (except for those pertaining to the Term and any Extension Options). Any failure by Tenant to surrender, discontinue using, or, if required by City, any failure to remove any property or equipment following written demand for the same by City, shall constitute continuing possession for purposes hereof. Tenant acknowledges that the foregoing provisions shall not serve as permission for the Tenant to hold over, nor serve to extend the term of this Lease beyond the end on the term hereof. Any holding over without City's consent shall constitute a default by Tenant and entitle City to exercise any or all of its remedies as provided herein, notwithstanding that

City may elect to accept one or more payments of Rent, and whether or not such amounts are at the holdover rate specified above or the rate in effect at the end of the Term of this Lease.

Any holding over after the expiration of the Term with the express consent of City shall be construed to automatically extend the Term of this Lease on a month-to-month basis at a Base Rent equal to one hundred fifty percent (150%) of the latest Base Rent payable by Tenant hereunder prior to such expiration, together with an amount estimated by City for the monthly Additional Charges payable under this Lease, and shall otherwise be on the terms and conditions herein specified so far as applicable (except for those pertaining to the Term and any Extension Options). Tenant's obligations under this Section shall survive the expiration or termination of this Lease.

28.14 Time of Essence

Time is of the essence with respect to all provisions of this Lease in which a definite time for performance is specified.

28.15 Cumulative Remedies

All rights and remedies of either party hereto set forth in this Lease shall be cumulative, except as may otherwise be provided herein.

28.16 Survival of Indemnities

Termination of this Lease shall not affect the right of either party to enforce any and all indemnities and representations and warranties given or made to the other party under this Lease, nor shall it affect any provision of this Lease that expressly states it shall survive termination hereof.

28.17 Signs

Tenant agrees that it will not erect or maintain, or permit to be erected or maintained, any signs, notices or graphics upon or about the Premises which are visible in or from public corridors or other portions of any common areas of the Building or from the exterior of the Premises, without City's prior written consent, which City may withhold or grant in its sole discretion.

28.18 Relationship of the Parties

City is not, and none of the provisions in this Lease shall be deemed to render City, a partner in Tenant's business, or joint venturer or member in any joint enterprise with Tenant. Neither party shall act as the agent of the other party in any respect hereunder. This Lease is not intended nor shall it be construed to create any third party beneficiary rights in any third party, unless otherwise expressly provided.

28.19 Light and Air

Tenant covenants and agrees that no diminution of light, air or view by any structure that may hereafter be erected (whether or not by City) shall entitle Tenant to any reduction of the Base Rent or Additional Charges under this Lease, result in any liability of City to Tenant, or in any other way affect this Lease or Tenant's obligations hereunder.

28.20 No Recording

Tenant shall not record this Lease or any memorandum hereof in the public records.

28.21 Options Personal

Any right or option to extend the Term of this Lease or renew this Lease is personal to the original Tenant and may be exercised only by the original Tenant while occupying the Premises who does so without the intent of thereafter making any Assignment of this Lease or Subletting of the Premises, or any portion thereof, and may not be exercised by or assigned, voluntarily or involuntarily, by or to any person or entity other than Tenant. The options, if any, herein granted to Tenant are not assignable separate and apart from this Lease, nor may any option be separated from this Lease in any manner, either by reservation or otherwise.

28.22 Public Transit Information

Tenant shall establish and carry on during the Term a program to encourage maximum use of public transportation by personnel of Tenant employed on the Premises, including, without limitation, the distribution to such employees of written materials explaining the convenience and availability of public transportation facilities adjacent or proximate to the Building and encouraging use of such facilities, all at Tenant's sole expense.

28.23 Taxes, Assessments, Licenses, Permit Fees and Liens

(a) Tenant recognizes and understands that this Lease may create a possessory interest subject to property taxation and that Tenant may be subject to the payment of property taxes levied on such interest.

(b) Tenant agrees to pay taxes of any kind, including possessory interest taxes, that may be lawfully assessed on the leasehold interest hereby created and to pay all other taxes, excises, licenses, permit charges and assessments based on Tenant's usage of the Premises that may be imposed upon Tenant by law, all of which shall be paid when the same become due and payable and before delinquency.

(c) Tenant agrees not to allow or suffer a lien for any such taxes to be imposed upon the Premises or upon any equipment or property located thereon without promptly discharging the same, provided that Tenant, if so desiring, may have reasonable opportunity to contest the validity of the same.

(d) San Francisco Administrative Code Sections 23.38 and 23.39 require that the City and County of San Francisco report certain information relating to this Lease, and any renewals thereof, to the County Assessor within sixty (60) days after any such transaction, and that Tenant report certain information relating to any assignment of or sublease under this Lease to the County Assessor within sixty (60) days after such assignment or sublease transaction. Tenant agrees to provide such information as may be requested by the City to enable the City to comply with this requirement.

(e) Tenant shall reimburse City within ten (10) calendar days following receipt of an invoice from City for all assessments, mello roos, special taxes and/or any business improvement district fees paid by City in connection to the Old Mint.

28.24 Non-Liability of City Officials, Employees and Agents

No elective or appointive board, commission, member, officer, employee or other Agent of City shall be personally liable to Tenant, its successors and assigns, in the event of any default or breach by City or for any amount which may become due to Tenant, its successors and assigns, or for any obligation of City under this Agreement.

28.25 Non-Discrimination in City Contracts and Benefits Ordinance

(a) Covenant Not to Discriminate

In the performance of this Lease, Tenant agrees not to discriminate against any employee, any City employee working with Tenant, or applicant for employment with Tenant, 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 such protected classes, or in retaliation for opposition to discrimination against such classes.

(b) Subleases and Subcontracts

Tenant shall include in all contracts, subleases and other subcontracts relating to the Premises a non-discrimination clause applicable to such contractor or subcontractor in substantially the form of subsection (a) above. In addition, Tenant shall incorporate by reference in all contracts, subleases and subcontracts the provisions of Sections 12B.2(a), 12B.2(c)-(k), and 12C.3 of the San Francisco Administrative Code and shall require all subcontractors to comply with such provisions. Tenant's failure to comply with the obligations in this subsection shall constitute a material breach of this Lease.

(c) Non-Discrimination in Benefits

Tenant does not as of the date of this Lease and will not during the term of this Lease, in any of its operations in San Francisco, on real property owned by City, or where the work is being performed for the 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 such employees, where the domestic partnership has been registered with a governmental entity pursuant to state or local law authorizing such registration, subject to the conditions set forth in Section 12B.2(b) of the San Francisco Administrative Code.

(d) CMD Form

As a condition to this Lease, Tenant shall execute the "Chapter 12B Declaration: Nondiscrimination in Contracts and Benefits" form (Form CMD-12B-101) with supporting documentation and secure the approval of the form by the San Francisco Contract Monitoring Division. Tenant hereby represents that prior to execution of this Lease, (i) Tenant executed and submitted to the CMD Form CMD-12B-101 with supporting documentation, and (ii) the CMD approved such form.

(e) Incorporation of Administrative Code Provisions by Reference

The provisions of Chapters 12B and 12C of the San Francisco Administrative Code relating to non-discrimination by parties contracting for the lease of City property are incorporated in this Section by reference and made a part of this Agreement as though fully set forth herein. Tenant shall comply fully with and be bound by all of the provisions that apply to this Lease under such Chapters of the Administrative Code, including but not limited to the remedies provided in such Chapters. Without limiting the foregoing, Tenant understands that pursuant to Section 12B.2(h) of the San Francisco Administrative Code, a penalty of Fifty

Dollars (\$50) for each person for each calendar day during which such person was discriminated against in violation of the provisions of this Lease may be assessed against Tenant and/or deducted from any payments due Tenant.

28.26 No Relocation Assistance; Waiver of Claims

Tenant acknowledges that it will not be a displaced person at the time this Lease is terminated or expires by its own terms, and Tenant fully RELEASES, WAIVES AND DISCHARGES forever any and all Claims against, and covenants not to sue, City, its departments, commissions, officers, directors and employees, and all persons acting by, through or under each of them, under any laws, including, without limitation, any and all claims for relocation benefits or assistance from City under federal and state relocation assistance laws (including, but not limited to, California Government Code Section 7260 et seq.), except as otherwise specifically provided in this Lease with respect to a Taking.

28.27 MacBride Principles - Northern Ireland

The provisions of San Francisco Administrative Code §12F are incorporated herein by this reference and made part of this Lease. By signing this Lease, Tenant confirms that Tenant has read and understood that the City urges companies doing business in Northern Ireland to resolve employment inequities and to abide by the MacBride Principles, and urges San Francisco companies to do business with corporations that abide by the MacBride Principles.

28.28 Tropical Hardwood and Virgin Redwood Ban

The City and County of San Francisco urges companies not to import, purchase, obtain or use for any purpose, any tropical hardwood, tropical hardwood wood product, virgin redwood or virgin redwood wood product. Except as expressly permitted by the application of Sections 802(b) and 803(b) of the San Francisco Environment Code, Tenant shall not provide any items to the construction of Tenant Improvements or the Alterations, or otherwise in the performance of this Lease which are tropical hardwoods, tropical hardwood wood products, virgin redwood, or virgin redwood wood products. In the event Tenant fails to comply in good faith with any of the provisions of Chapter 8 of the San Francisco Environment Code, Tenant shall be liable for liquidated damages for each violation in any amount equal to Tenant's net profit on the contract, or five percent (5%) of the total amount of the contract dollars, whichever is greater.

28.29 Restrictions on the Use of Pesticides

Chapter 3 of the San Francisco Environment Code (the Integrated Pest Management Program Ordinance or "IPM Ordinance") describes an integrated pest management ("IPM") policy to be implemented by all City departments. Tenant shall not use or apply or allow the use or application of any pesticides on the Premises or contract with any party to provide pest abatement or control services to the Premises without first receiving City's written approval of an IPM plan that (i) lists, to the extent reasonably possible, the types and estimated quantities of pesticides that Tenant may need to apply to the Premises during the term of this Lease, (ii) describes the steps Tenant will take to meet the City's IPM Policy described in Section 300 of the IPM Ordinance, and (iii) identifies, by name, title, address and telephone number, an individual to act as the Tenant's primary IPM contact person with the City. Tenant shall comply, and shall require all of Tenant's contractors to comply, with the IPM plan approved by the City and shall comply with the requirements of Sections 300(d), 302, 304, 305(f), 305(g), and 306 of the IPM Ordinance, as if Tenant were a City department. Among other matters, such provisions of the IPM Ordinance: (a) provide for the use of pesticides only as a last resort, (b) prohibit the use or application of pesticides on property owned by the City, except for pesticides granted an exemption under Section 303 of the IPM Ordinance (including pesticides included on the most

current Reduced Risk Pesticide List compiled by City's Department of the Environment), (c) impose certain notice requirements, and (d) require Tenant to keep certain records and to report to City all pesticide use at the Premises by Tenant's staff or contractors.

If Tenant or Tenant's contractor will apply pesticides to outdoor areas at the Premises, Tenant must first obtain a written recommendation from a person holding a valid Agricultural Pest Control Advisor license issued by the California Department of Pesticide Regulation ("CDPR") and any such pesticide application shall be made only by or under the supervision of a person holding a valid, CDPR-issued Qualified Applicator certificate or Qualified Applicator license. City's current Reduced Risk Pesticide List and additional details about pest management on City property can be found at the San Francisco Department of the Environment website, <http://sfenvironment.org/ipm>.

28.30 First Source Hiring Agreement

Tenant and City are parties to the First Source Agreement attached to this Lease as Exhibit E pursuant to San Francisco Administrative Code, Chapter 83 (the "First Source Agreement"). Any default by Tenant under the First Source Agreement shall be a default under this Lease.

28.31 Sunshine Ordinance

In accordance with Section 67.24(e) of the San Francisco Administrative Code, contracts, contractors' bids, leases, agreements, responses to Requests for Proposals, and all other records of communications between City and persons or firms seeking contracts will be open to inspection immediately after a contract has been awarded. Nothing in this provision requires the disclosure of a private person's or organization's net worth or other proprietary financial data submitted for qualification for a contract, lease, agreement or other benefit until and unless that person or organization is awarded the contract, lease, agreement or benefit. Information provided which is covered by this Section will be made available to the public upon request.

28.32 Conflicts of Interest

Through its execution of this Lease, Tenant acknowledges that it is familiar with the provisions of Article III, Chapter 2 of City's Campaign and Governmental Conduct Code, and Section 87100 et seq. and Section 1090 et seq. of the Government Code of the State of California, and certifies that it does not know of any facts which would constitute a violation of said provisions, and agrees that if Tenant becomes aware of any such fact during the term of this Lease Tenant shall immediately notify the City.

28.33 Charter Provisions

This Lease is governed by and subject to the provisions of the Charter of the City and County of San Francisco.

28.34 Drug-Free Workplace

Tenant acknowledges that pursuant to the Federal Drug-Free Workplace Act of 1989, the unlawful manufacture, distribution, possession or use of a controlled substance is prohibited on City premises. Tenant agrees that any violation of this prohibition by Tenant, its Agents or assigns shall be deemed a material breach of this Lease.

28.35 Prohibition of Tobacco Sales and Advertising

No advertising or sale of cigarettes or tobacco products is allowed on the Premises. This advertising prohibition includes the placement of the name of a company producing cigarettes or tobacco products or the name of any cigarette or tobacco product in any promotion of any event or product. In addition, Tenant acknowledges and agrees that no Sales, Manufacture, or Distribution of Tobacco Products (as such capitalized terms are defined in Health Code Section 19K.1) is allowed on the Premises and such prohibition must be included in all subleases or other agreements allowing use of the Premises. The prohibition against Sales, Manufacture, or Distribution of Tobacco Products does not apply to persons who are affiliated with an accredited academic institution where the Sale, Manufacture, and/or Distribution of Tobacco Products is conducted as part of academic research.

28.36 Counterparts

This Lease 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.

28.37 Effective Date

This Lease shall become effective on the date upon which (a) City's Board of Supervisors and the Mayor, in their sole and absolute discretion, adopt a resolution approving this Lease in accordance with all applicable laws and (b) this Lease is duly executed and delivered by the parties hereto.

28.38 Requiring Health Benefits for Covered Employees

Unless exempt, Tenant agrees to comply fully with and be bound by all of the provisions of the Health Care Accountability Ordinance (HCAO), as set forth in San Francisco Administrative Code Chapter 12Q, including the remedies provided, and implementing regulations, as the same may be amended from time to time. The provisions of Chapter 12Q are incorporated herein by reference and made a part of this Lease as though fully set forth. The text of the HCAO is available on the web at <http://www.sfgov.org/olse/hcao>. Capitalized terms used in this Section and not defined in this Lease shall have the meanings assigned to such terms in Chapter 12Q.

(a) For each Covered Employee, Tenant shall provide the appropriate health benefit set forth in Section 12Q.3 of the HCAO. If Tenant chooses to offer the health plan option, such health plan shall meet the minimum standards set forth by the San Francisco Health Commission.

(b) Notwithstanding the above, if the Tenant is a small business as defined in Section 12Q.3(d) of the HCAO, it shall have no obligation to comply with subsection (a) above.

(c) Tenant's failure to comply with the HCAO shall constitute a material breach of this Lease. City shall notify Tenant if such a breach has occurred. If, within thirty (30) days after receiving City's written notice of a breach of this Lease for violating the HCAO, Tenant fails to cure such breach or, if such breach cannot reasonably be cured within such period of thirty (30) days, Tenant fails to commence efforts to cure within such period, or thereafter fails diligently to pursue such cure to completion, City shall have the right to pursue the remedies set forth in Section 12Q.5(f)(1-5). Each of these remedies shall be exercisable individually or in combination with any other rights or remedies available to City.

(d) Any Subcontract entered into by Tenant shall require the Subcontractor to comply with the requirements of the HCAO and shall contain contractual obligations substantially the same as those set forth in this Section. Tenant shall notify City's Purchasing Department when it enters into such a Subcontract and shall certify to the Purchasing Department that it has notified the Subcontractor of the obligations under the HCAO and has imposed the requirements of the HCAO on Subcontractor through the Subcontract. Each Tenant shall be responsible for its Subcontractors' compliance with this Chapter. If a Subcontractor fails to comply, the City may pursue the remedies set forth in this Section against Tenant based on the Subcontractor's failure to comply, provided that City has first provided Tenant with notice and an opportunity to obtain a cure of the violation.

(e) Tenant shall not discharge, reduce in compensation, or otherwise discriminate against any employee for notifying City with regard to Tenant's compliance or anticipated compliance with the requirements of the HCAO, for opposing any practice proscribed by the HCAO, for participating in proceedings related to the HCAO, or for seeking to assert or enforce any rights under the HCAO by any lawful means.

(f) Tenant represents and warrants that it is not an entity that was set up, or is being used, for the purpose of evading the intent of the HCAO.

(g) Tenant shall keep itself informed of the current requirements of the HCAO.

(h) Tenant shall provide reports to the City in accordance with any reporting standards promulgated by the City under the HCAO, including reports on Subcontractors and Subtenants, as applicable.

(i) Tenant shall provide City with access to records pertaining to compliance with HCAO after receiving a written request from City to do so and being provided at least five (5) business days to respond.

(j) City may conduct random audits of Tenant to ascertain its compliance with HCAO. Tenant agrees to cooperate with City when it conducts such audits.

(k) If Tenant is exempt from the HCAO when this Lease is executed because its amount is less than Twenty-Five Thousand Dollars (\$25,000), but Tenant later enters into an agreement or agreements that cause Tenant's aggregate amount of all agreements with City to reach Seventy-Five Thousand Dollars (\$75,000), all the agreements shall be thereafter subject to the HCAO. This obligation arises on the effective date of the agreement that causes the cumulative amount of agreements between Tenant and the Contracting Department to be equal to or greater than Seventy-Five Thousand Dollars (\$75,000) in the fiscal year.

28.39 Notification of Limitations on Contributions

By executing this Lease, Tenant 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. Tenant 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. Tenant 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 Tenant; any subtenant listed in the lease; and any committee that is sponsored or controlled by Tenant; and **(ii)** within thirty (30) days of the submission of a proposal for the Lease, the City department with whom Tenant is leasing is obligated to submit to the Ethics Commission the parties to the lease and any subtenant. Additionally, Tenant 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.

28.40 Preservative-Treated Wood Containing Arsenic

Tenant may not purchase preservative-treated wood products containing arsenic in the performance of this Lease unless an exemption from the requirements of Environment Code Chapter 13 is obtained from the Department of Environment under Section 1304 of the Environment Code. The term "preservative-treated wood containing arsenic" shall mean wood treated with a preservative that contains arsenic, elemental arsenic, or an arsenic copper combination, including, but not limited to, chromated copper arsenate preservative, ammoniac copper zinc arsenate preservative, or ammoniacal copper arsenate preservative. Tenant may purchase preservative-treated wood products on the list of environmentally preferable alternatives prepared and adopted by the Department of Environment. This provision does not preclude Tenant from purchasing preservative-treated wood containing arsenic for saltwater immersion. The term "saltwater immersion" shall mean a pressure-treated wood that is used for construction purposes or facilities that are partially or totally immersed in saltwater.

28.41 Resource-Efficient City Buildings

Tenant acknowledges that the City and County of San Francisco has enacted San Francisco Environment Code Sections 700 to 713 relating to green building requirements for the design, construction, and operation of buildings owned or leased by City. Tenant hereby agrees that it shall comply with all applicable provisions of such code sections.

28.42 Food Service and Packaging Waste Reduction Ordinance

Tenant will comply with and is bound by all of the provisions of the Food Service and Packaging Waste Reduction Ordinance, as set forth in San Francisco Environment Code Chapter 16, including the remedies provided, and implementing guidelines and rules. The provisions of Chapter 16 are incorporated into this Lease by reference and made a part of this Lease as though fully set forth. This provision is a material term of this Lease. By entering into this Lease, Tenant agrees that if it breaches this provision, City will suffer actual damages that will be impractical or extremely difficult to determine. Without limiting City's other rights and remedies, Tenant agrees that the sum of One Hundred Dollars (\$100.00) for the first breach, Two Hundred Dollars (\$200.00) for the second breach in the same year, and Five Hundred Dollars (\$500.00) for subsequent breaches in the same year is a reasonable estimate of the damage that City may incur based on the violation, established in light of the circumstances existing at the time this Lease was made. These amounts will not be considered a penalty, and do not limit City's other rights and remedies available under this Lease, at law, or in equity.

28.43 San Francisco Packaged Water Ordinance

Tenant will comply with San Francisco Environment Code Chapter 24 ("Chapter 24"). Tenant may not sell, provide, or otherwise distribute Packaged Water, as defined in Chapter 24 (including bottled water), in the performance of this Lease or on City property unless Tenant obtains a waiver from City's Department of the Environment. If Tenant violates this requirement, City may exercise all remedies in this Lease and the Director of City's Department of the Environment may impose administrative fines as set forth in Chapter 24.

28.44 Criminal History in Hiring and Employment Decisions

(a) Unless exempt, Tenant agrees to comply with and be bound by all of the provisions of San Francisco Administrative Code Chapter 12T (Criminal History in Hiring and Employment Decisions; “Chapter 12 T”), which are hereby incorporated as may be amended from time to time, with respect to applicants and employees of Tenant who would be or are performing work at the Premises.

(b) Tenant shall incorporate by reference the provisions of Chapter 12T in all subleases of some or all of the Premises, and shall require all subtenants to comply with such provisions. Tenant’s failure to comply with the obligations in this subsection shall constitute a material breach of this Lease.

(c) Tenant and subtenants shall not inquire about, require disclosure of, or if such information is received base an Adverse Action on an applicant’s or potential applicant for employment, or employee’s: (1) Arrest not leading to a Conviction, unless the Arrest is undergoing an active pending criminal investigation or trial that has not yet been resolved; (2) participation in or completion of a diversion or a deferral of judgment program; (3) a Conviction that has been judicially dismissed, expunged, voided, invalidated, or otherwise rendered inoperative; (4) a Conviction or any other adjudication in the juvenile justice system; (5) a Conviction that is more than seven years old, from the date of sentencing; or (6) information pertaining to an offense other than a felony or misdemeanor, such as an infraction.

(d) Tenant and subtenants shall not inquire about or require applicants, potential applicants for employment, or employees to disclose on any employment application the facts or details of any conviction history, unresolved arrest, or any matter identified in subsection (c) above. Tenant and subtenants shall not require such disclosure or make such inquiry until either after the first live interview with the person, or after a conditional offer of employment.

(e) Tenant and subtenants shall state in all solicitations or advertisements for employees that are reasonably likely to reach persons who are reasonably likely to seek employment with Tenant or subtenant at the Premises, that the Tenant or subtenant will consider for employment qualified applicants with criminal histories in a manner consistent with the requirements of Chapter 12T.

(f) Tenant and subtenants shall post the notice prepared by the Office of Labor Standards Enforcement (“OLSE”), available on OLSE’s website, in a conspicuous place at the Premises and at other workplaces within San Francisco where interviews for job opportunities at the Premises occur. The notice shall be posted in English, Spanish, Chinese, and any language spoken by at least 5% of the employees at the Premises or other workplace at which it is posted.

(g) Tenant and subtenants understand and agree that upon any failure to comply with the requirements of Chapter 12T, the City shall have the right to pursue any rights or remedies available under Chapter 12T or this Lease, including but not limited to a penalty of \$50 for a second violation and \$100 for a subsequent violation for each employee, applicant or other person as to whom a violation occurred or continued, termination or suspension in whole or in part of this Lease.

(h) If Tenant has any questions about the applicability of Chapter 12T, it may contact the City’s Real Estate Division for additional information. City’s Real Estate Division may consult with the Director of the City’s Office of Contract Administration who may also grant a waiver, as set forth in Section 12T.8.

28.45 Cooperative Drafting

This Lease has been drafted through a cooperative effort of both parties, and both parties have had an opportunity to have the Lease reviewed and revised by legal counsel. No party shall be considered the drafter of this Lease, and no presumption or rule that an ambiguity shall be construed against the party drafting the clause shall apply to the interpretation or enforcement of this Lease.

28.46 Sugar-Sweetened Beverage Prohibition

Tenant agrees that it will not sell, provide, or otherwise distribute Sugar-Sweetened Beverages, as defined by San Francisco Administrative Code Chapter 101, as part of its performance of this Agreement.

28.47 Vending Machines; Nutritional Standards

Tenant may not install or permit any vending machine on the Premises without the prior written consent of the Director of Property. Any permitted vending machine will comply with the food and beverage nutritional standards and calorie labeling requirements set forth in San Francisco Administrative Code Section 4.9-1(c), as may be amended from time to time (the "Nutritional Standards Requirements"). Tenant will incorporate the Nutritional Standards Requirements into any contract for the installation of a vending machine on the Premises or for the supply of food and beverages to that vending machine. Failure to comply with the Nutritional Standards Requirements or to otherwise comply with this Section 28.47 will be a material breach of this Lease. Without limiting Landlord's other rights and remedies under this Lease, Landlord will have the right to require the immediate removal of any vending machine on the Premises that is not permitted or that violates the Nutritional Standards Requirements.

28.48 All-Gender Toilet Facilities

If applicable, Tenant shall comply with San Francisco Administrative Code Section 4.1-3 requiring at least one all-gender toilet facility on each floor of any new building on City-owned land and within existing buildings leased by the City where extensive renovations are made. An "all-gender toilet facility" means a toilet that is not restricted to use by persons of a specific sex or gender identity by means of signage, design, or the installation of fixtures, and "extensive renovations" means any renovation where the construction cost exceeds 50% of the cost of providing the toilet facilities required by this section. If Tenant has any question about applicability or compliance, Tenant should contact the Director of Property for guidance.

28.49 Tenant's Compliance with City Business and Tax Regulations Code

Tenant 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 Tenant under this Lease is withheld, then City will not be in breach or default under this Lease, and the Treasurer and Tax Collector will authorize release of any payments withheld under this paragraph to Tenant, without interest, late fees, penalties, or other charges, upon Tenant coming back into compliance with its San Francisco Business and Tax Regulations Code obligations.

NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS LEASE, TENANT ACKNOWLEDGES AND AGREES THAT NO OFFICER OR EMPLOYEE OF CITY HAS AUTHORITY TO COMMIT CITY TO THIS LEASE UNLESS AND UNTIL CITY'S BOARD OF SUPERVISORS SHALL HAVE DULY ADOPTED A RESOLUTION APPROVING THIS LEASE AND AUTHORIZING THE TRANSACTIONS

CONTEMPLATED HEREBY. THEREFORE, ANY OBLIGATIONS OR LIABILITIES OF CITY HEREUNDER ARE CONTINGENT UPON ADOPTION OF SUCH A RESOLUTION, AND THIS LEASE SHALL BE NULL AND VOID IF CITY'S MAYOR AND THE BOARD OF SUPERVISORS DO NOT APPROVE THIS LEASE, IN THEIR RESPECTIVE SOLE DISCRETION. APPROVAL OF THIS LEASE BY ANY DEPARTMENT, COMMISSION OR AGENCY OF CITY SHALL NOT BE DEEMED TO IMPLY THAT SUCH RESOLUTION WILL BE ENACTED, NOR WILL ANY SUCH APPROVAL CREATE ANY BINDING OBLIGATIONS ON CITY.

[SIGNATURES ON FOLLOWING PAGE]

City and Tenant have executed this Lease as of the date first written above.

TENANT:

NPU, Inc.,
a California corporation

By: _____

Its: _____

By: _____

Its: _____

CITY:

CITY AND COUNTY OF SAN FRANCISCO,
a municipal corporation

By: _____
ANDRICO Q. PENICK
Director of Property

APPROVED AS TO FORM:

DENNIS J. HERRERA, City Attorney

By: _____
Eileen Malley
Deputy City Attorney

EXHIBIT A

FLOOR PLAN(S)

CONSISTING OF _____ PAGE(S)

EXHIBIT B

NOTICE OF COMMENCEMENT DATE

[Date]

Mr. Andrico Q. Penick
Director of Property
Real Estate Division
City and County of San Francisco
25 Van Ness Avenue, Suite 400
San Francisco, California 94102

RE: Acknowledgement of Commencement Date, Lease Between NPU, INC., (Tenant), and the City and County of San Francisco (Landlord), for the Premises located at 88 Fifth Street, San Francisco, CA (Old Mint)

Dear Mr. Updike:

This letter will confirm that for all purposes of the Lease, the Commencement Date (as defined in Section 3.2 of the Lease) is _____, 2020.

Please acknowledge your acceptance of this letter by signing and returning a copy of this letter.

Very truly yours,

By: _____
Title: _____

Accepted and Agreed:

By: _____
Andrico Q. Penick
Director of Property

Dated: _____

EXHIBIT C

WAIVER AND RELEASE

In consideration for being granted permission to operate as Vendor/Sub-Permittee on property owned by the City and County of San Francisco ("City") at Old Mint at 88 5th Street in the City and County of San Francisco (the "City Property"), on _____, I, the undersigned ("Releasor"), agree that the City, and any and all of its officers, directors, agents, employees, contractors, or subcontractors (collectively, the "Released Parties"), shall not be responsible or liable to Releasor for and, to the fullest extent allowed by law, Releasor hereby waives all rights against the Released Parties and releases them from, any and all claims, demands, losses, liabilities, damages, costs, liens, injuries, penalties, fines, lawsuits or other proceedings, including, but not limited to, incidental or consequential damages and attorneys' fees, relating to any injury, accident or death of any person, or loss or damage to any property (collectively, "Losses"), arising out of or in any way relating to, such operations or my entry onto or use of the City Property. I understand that the City makes no representations or warranties, express or implied, regarding the condition of the City Property on which my operations will occur and I agree to enter and operate on the City Property at my sole risk.

In executing this Waiver and Release, I have not relied on any representations or warranties as to the safety of the City Property.

"RELEASOR"

Print Name: _____

Date: _____

EXHIBIT D

RULES AND REGULATIONS

1. The sidewalks, halls, passages, exits, entrances, elevators and stairways of the Building shall not be obstructed by Tenant or used by it for any purpose other than for ingress to and egress from the Premises.
2. No sign, placard, picture, name, advertisement or notice visible from the exterior of the Premises shall be installed or displayed by Tenant on any part of the outside or inside of the Building without the prior written consent of City. City shall have the right to remove, at Tenant's expense and without notice, any sign installed or displayed in violation of this rule. All approved signs or lettering on doors shall be printed, painted, affixed or inscribed at the expense of Tenant by a person approved by City, which approval will not be unreasonably withheld. Material visible from outside the Building will not be permitted.
3. The Premises shall not be used for the storage of merchandise held for sale to the general public or for lodging.
4. Tenant shall not change the locks, or make or have made additional keys without City's prior written consent, which consent shall not be unreasonably withheld or delayed. Tenant shall not alter any lock or install any new or additional locking devices without the prior written consent of City. All locks installed in the Premises, excluding Tenant's vaults and safes, or special security areas (which shall be designated by Tenant in a written notice to City), shall be keyed to the Building master key system. City may make reasonable charge for any additional lock or any bolt (including labor) installed on any door of the Premises. Tenant, upon the termination of its tenancy, shall deliver to City all keys to doors in the Premises. If Tenant loses any keys, Tenant shall pay City for the cost of re-keying the Premises.
5. Tenant shall schedule with City, by written notice given no less than forty-eight (48) hours in advance, its move into or out of the Building, which moving shall occur only on weekend days if required by City; and Tenant shall reimburse City upon demand for any additional security or other charges incurred by City as a consequence of such moving. The persons employed by Tenant to move equipment or other items in or out of the Building must be acceptable to City. The floors, corners and walls of elevators and corridors used for the moving of equipment or other items in or out of the Building must be adequately covered, padded and protected, and City may provide such padding and protection, at Tenant's expense, if City determines that such measures undertaken by Tenant or Tenant's movers are inadequate. City shall have the right to prescribe the weight, size and position of all equipment, materials, supplies, furniture or other property brought into the Building. Heavy objects shall, if considered necessary by City, stand on wood strips of such thickness as is necessary to properly distribute the weight of such objects. City will not be responsible for loss of or damage to any such property from any cause, and all damage done to the Building by moving or maintaining Tenant's property shall be repaired at the expense of Tenant.
6. Tenant shall not use or keep in the Premises or the Building any kerosene, gasoline or flammable, combustible or noxious fluid or materials or use any method of heating or air conditioning other than those limited quantities necessary for the operation and maintenance of normal office equipment. Tenant shall not use, keep or permit or suffer the Premises to be occupied or used in a manner offensive or objectionable to City or other occupants of the Building by reason of noise, odors, and/or vibrations, or interfere in any way with other tenants or those having business in the Building.

7. Tenant shall not cut or bore holes for wires in the partitions, woodwork or plaster of the Premises. Tenant shall not affix any floor covering to the floor of the Premises in any manner except as approved by City.
8. No curtains, draperies, blinds, shutters, shades, screens or other coverings, hangings or decorations shall be attached to, hung or placed in, or used in connection with any window of the Building without City's prior written consent.
9. Tenant shall see that the doors of the Premises are closed and locked and that all water faucets, water apparatus and utilities are shut off before Tenant or Tenant's employees leave the Premises, so as to prevent waste or damage, and for any default or carelessness in this regard Tenant shall make good all injuries sustained by Tenant, its agents, visitors, other tenants or occupants of the Building or City.
10. The toilet rooms, toilets, urinals, wash bowls and other apparatus shall not be used for any purpose other than that for which they were constructed, no foreign substance of any kind whatsoever shall be deposited therein. The expense of any breakage, stoppage or damage resulting in any violation of this rule shall be borne by Tenant.
11. Except with City's prior consent, Tenant shall not sell, or permit the sale from the Premises of, or use or permit the use of any sidewalk or mall area adjacent to the Premises for the sale of, newspapers, magazines, periodicals, theater tickets or any other goods, merchandise or service, nor shall Tenant carry on, or permit or allow any employee or other person to carry on, business in or from the Premises for the service or accommodation of occupants or any other portion of the Building, nor shall the Premises be used for manufacturing of any kind, or for any business or activity other than that specifically provided for in Tenant's lease.
12. Tenant shall not install any radio or television antenna, loudspeaker, or other device on or about the roof area or exterior walls of the Building without City's written consent.
13. Tenant shall not use in any space, or in the common areas of the Building, any hand-trucks except those equipped with rubber tires and side guards or such other material-handling equipment as City may approve. No other vehicles of any kind shall be brought by Tenant into the Building or kept in or about the Premises without City's written consent.
14. Tenant shall store all its trash and garbage within the Premises until removal of the same to such location in the Building as may be designated from time to time by City. No material shall be placed in the Building trash boxes or receptacles if such material is of such nature that it may not be disposed of in the ordinary and customary manner of removing and disposing of trash and garbage in the City of San Francisco without being in violation of any law or ordinance governing such disposal.
15. All loading and unloading of merchandise, supplies, materials, garbage and refuse shall be made only through such entryways and freight elevators and at such times as City shall designate. In its use of the loading areas of the Building, Tenant shall not obstruct or permit the obstruction of said loading areas, and at no time shall Tenant park vehicles therein except for immediate loading and unloading purposes.
16. Canvassing, soliciting, peddling or distribution of handbills or any other written material in the Building is prohibited and Tenant shall cooperate to prevent the same.
17. Tenant shall immediately, upon request from City (which request need not be in writing), reduce its lighting in the Premises for temporary periods designated by City, when required

in City's judgment to prevent overloads of the mechanical or electrical systems of the Building.

18. City reserves the right to select the name of the Building and to make such change or changes of name as it may deem appropriate from time to time, and Tenant shall not refer to the Building by any name other than: (i) the name as selected by City (as the same may be changed from time to time), or (ii) the postal address approved by the United States Post Office. During the Term, Tenant shall have the right to use such name with respect to the Tenant's activities under this Lease. Tenant shall not use the name of the Building in any other respect – including in the production, sale, copyright, or trademark of merchandise – except as an address of its operation in the Building, without the prior written consent of the City.
19. Tenant assumes all responsibility for protecting its Premises from theft, robbery and pilferage, which includes keeping doors locked and other means of entry closed.
20. No vending machine shall be maintained or operated within the Premises or the Building without City's prior written consent.
21. City reserves the right to exclude or expel from the Building any person who is, in the judgment of City, who is in violation of any of the Rules or Regulations of the Building.
22. Tenant will contact City by telephone or writing or in person at the Real Estate Division's Office located at 25 Van Ness Avenue, #400, San Francisco, CA 94102.
23. City may waive any one or more of these Rules and Regulations for the benefit of any particular tenant or tenants, but no such waiver by City shall be construed as a waiver of these Rules and Regulations in favor of any other tenant or tenants, nor prevent City from thereafter enforcing any such Rules and Regulations against any or all of the tenants of the Building.
24. Wherever the word "Tenant" occurs in these Rules and Regulations, it is understood and agreed that it shall mean Tenant's associates, agents, clerks, employees and visitors. Wherever the word "City" occurs in these Rules and Regulations, it is understood and agreed that it shall mean City's assigns, agents, officers, employees and visitors.
25. These Rules and Regulations are in addition to, and shall not be construed in any way to modify, alter or amend, in whole or part, the terms, covenants, agreements and conditions of any lease of premises in the Building.
26. City reserves the right to make such other and reasonable rules and regulations as in its judgment may from time to time be needed for the safety, care and cleanliness of the Building, and for the preservation of good order therein.
27. Tenant shall be responsible for the observance of all the foregoing Rules and Regulations by Tenant's employees, agents, clients, customers, invitees and guests.

EXHIBIT E

FIRST SOURCE HIRING AGREEMENT

**First Source Hiring Agreement
For Tenant/Concessionaire/Franchisee/Easement Holder of City Property**

This First Source Hiring Agreement (this “Agreement”), is made as of _____, by and between NPU, INC., (the “Lessee”), in favor of the First Source Hiring Administration (the “FSHA”), collectively the “Parties”.

RECITALS

WHEREAS, Lessee plans to occupy the property owned by the City and County of San Francisco (“City”) at [Address] (“Premises”) pursuant to a lease between Lessee and the City dated _____ (“Lease”), which requires a First Source Hiring Agreement between Lessee and FSHA; and,

WHEREAS, as a material part of the consideration given by Lessee under the Lease, Lessee has agreed to execute this Agreement and the First Source Employer’s Projection of Entry-Level Positions form attached to this Agreement as *Exhibit A* (the “Projection Form”) and participate in the Workforce System managed by the Office of Economic and Workforce Development (“OEWD”) as established by the City and County of San Francisco pursuant to Chapter 83 of the San Francisco Administrative Code;

NOW, THEREFORE, in consideration of the mutual covenants set forth herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Parties covenant and agree as follows:

1. DEFINITIONS

For purposes of this Agreement, initially capitalized terms shall be defined as follows:

- a. **Entry Level Position:** Any non-managerial position that requires no education above a high school diploma or certified equivalency, and less than two (2) years training or specific preparation, and shall include temporary, permanent, trainee and intern positions.
- b. **Workforce System:** The First Source Hiring Administrator established by the City and managed by OEWD.
- c. **Referral:** A member of the Workforce System who has been identified by OEWD as having the appropriate training, background and skill sets for a Lessee specified Entry Level Position.

2. OEWD WORKFORCE SYSTEM PARTICIPATION

- a. Lessee shall notify OEWD’s Business Team of every available Entry Level Position at the Premises (as defined in the Lease) and provide OEWD 10 business days to recruit and refer qualified candidates prior to advertising such position to the general

public. Lessee shall provide feedback including but not limited to job seekers interviewed, including name, position title, starting salary and employment start date of those individuals hired by the Lessee no later than 10 business days after date of interview or hire. Lessee will also provide feedback on reasons as to why referrals were not hired. Lessee shall have the sole discretion to interview any Referral by OEWD and will inform OEWD's Business Team why specific persons referred were not interviewed. Hiring decisions shall be entirely at the discretion of Lessee.

b. This Agreement shall be in full force and effect throughout the term of the Lease.

3. **GOOD FAITH EFFORT TO COMPLY WITH ITS OBLIGATIONS HEREUNDER**

Lessee will make good faith efforts to comply with its obligations under this Agreement. Determination of good faith efforts shall be based on all of the following during the term of the Lease:

- a. Lessee will execute and deliver this Agreement and the Projection Form to OEWD upon entering into the Lease. Lessee will also accurately complete and submit the Projection Form annually to reflect employment conditions.
- b. Lessee agrees to register with OEWD's Referral Tracking System, upon execution of this Agreement.
- c. Lessee shall notify OEWD's Business Services Team of all available Entry Level Positions at the Premises 10 business days prior to posting with the general public. The Lessee must identify a single point of contact responsible for communicating Entry-Level Positions and take active steps to ensure continuous communication with OEWD's Business Services Team.
- d. If Lessee's operations creates Entry Level Positions at the Premises, Lessee will use good faith efforts to meet the hiring goals established by the FSHA for filling open Entry Level Positions with First Source referrals. Specific hiring decisions shall be the sole discretion of the Lessee.
- e. Nothing in this Agreement shall be interpreted to prohibit the continuation of existing workforce training agreements or to interfere with consent decrees, collective bargaining agreements, or existing employment contracts. In the event of a conflict between this Agreement and an existing agreement, the terms of the existing agreement shall supersede this Agreement.

Lessee's failure to meet the criteria set forth in this Section does not impute "bad faith" and shall trigger a review of the referral process and compliance with this Agreement. Failure and noncompliance with this Agreement will result in penalties as defined in SF Administrative Code Chapter 83. Lessee agrees to review SF Administrative Code Chapter 83, and execution of this Agreement denotes that Lessee agrees to its terms and conditions.

4. **NOTICE**

All notices to be given under this Agreement shall be in writing and sent via mail or email as follows:

ATTN: Business Services, Office of Economic and Workforce Development
1 South Van Ness Avenue, 5th Floor, San Francisco, CA 94103
Email: Business.Services@sfgov.org

5. MISCELLANEOUS

This Agreement contains the entire agreement between the parties as to the subject matter hereof and shall not be modified in any manner except by an instrument in writing executed by the parties or their respective successors. If any term or provision of this Agreement shall be held invalid or unenforceable, the remainder of this Agreement shall not be affected. If Agreement is executed in one or more counterparts, each shall be deemed an original and all, taken together, shall constitute one and the same instrument. Agreement shall inure to the benefit of and shall be binding upon the parties to this Agreement and their respective heirs, successors and assigns. If there is more than one person comprising Seller, their obligations shall be joint and several. Section titles and captions contained in this Agreement are inserted as a matter of convenience and for reference and in no way define, limit, extend or describe the scope of this Agreement or the intent of any of its provisions. This Agreement shall be governed and construed by laws of the State of California.

IN WITNESS WHEREOF, the following have executed this Agreement as of the date set forth above.

Date: _____

Signature: _____

Name of Authorized Signer: _____

Company: _____

Address: _____

Phone: _____

Email: _____

EXHIBIT A WORKFORCE PROJECTIONS FOR BUSINESS, COMMERCIAL, OPERATION AND LEASE OCCUPANCY

Business Name: _____ Phone: _____
Main Contact: _____ Email: _____

Signature of authorized representative* Date

**By signing this form, the lessee agrees to participate in the Workforce System managed by the Office of Economic and Workforce Development (OEWD) and comply with the provisions of its First Source Hiring Agreement pursuant to San Francisco Administrative Code Chapter 83.*

Instructions:

- Upon entering into leases for the commercial space of the building, the Lessee must submit to OEWD, a signed First Source Agreement, including its signature to Exhibit A thereto. Lessee will also complete and submit Exhibit A annually to reflect employment conditions.
- The employer must notify the First Source Hiring Program (Contact Info below) if an **Entry Level Position** becomes available.

Section 1: Select your Industry

- | | | |
|--|---|--|
| <input type="checkbox"/> Auto Repair | <input type="checkbox"/> Entertainment | <input type="checkbox"/> Personal Services |
| <input type="checkbox"/> Business Services | <input type="checkbox"/> Elder Care | <input type="checkbox"/> Professionals |
| <input type="checkbox"/> Consulting | <input type="checkbox"/> Financial Services | <input type="checkbox"/> Real Estate |
| <input type="checkbox"/> Construction | <input type="checkbox"/> Healthcare | <input type="checkbox"/> Retail |
| <input type="checkbox"/> Government Contract | <input type="checkbox"/> Insurance | <input type="checkbox"/> Security |
| <input type="checkbox"/> Education | <input type="checkbox"/> Manufacturing | <input type="checkbox"/> Wholesale |
| <input type="checkbox"/> Food and Drink | <input type="checkbox"/> I don't see my industry <i>(Please Describe)</i> _____ | |

Section 2: Describe Primary Business Activity

Section 3: Provide information on all Entry Level Positions

Entry-Level Position Title	Job Description	Number of New Hires	Projected Hiring Date

Please email, fax, or mail this form SIGNED to:

ATTN: Business Services
Office of Economic and Workforce Development
1 South Van Ness Avenue, 5th Floor, San Francisco, CA 94103
Tel: 415-701-4848
Fax: 415-701-4897
<mailto:Business.Services@sfgov.org>
Website: www.workforcedevelopmentsf.org

EXHIBIT F

LOCAL HIRE

Any undefined, initially-capitalized term used in this Section has the meaning given to that term in San Francisco Administrative Code Section 23.62 (the “Local Hiring Requirements”). Tenant Improvement Work or Tenant Improvements (as defined in Section 6.1 (Tenant Improvement Work)) and Alterations (as defined in Section 7.1(a) (Alterations)) are subject to the Local Hiring Requirements unless the cost for the work is (i) estimated to be less than \$750,000 per building permit or (ii) meets any of the other exemptions in the Local Hiring Requirements. Tenant will comply with the Local Hiring Requirements to the extent applicable. Before starting any Tenant Improvement Work or Alterations, Tenant will contact OEWD to verify if the Local Hiring Requirements apply to the work (i.e., whether the work is a “Covered Project”).

In any contract for a Covered Project, Tenant will include, and will require its subtenants to include, a requirement to comply with the Local Hiring Requirements with specific reference to San Francisco Administrative Code Section 23.62. Each contract will name the City and County of San Francisco as a third party beneficiary for the limited purpose of enforcing the Local Hiring Requirements, including the right to file charges and seek penalties. Tenant will cooperate, and require its subtenants to cooperate, with City in any action or proceeding against a contractor or subcontractor that fails to comply with the Local Hiring Requirements when required. Tenant’s failure to comply with its obligations under this Exhibit F will constitute a material breach of this Lease. A contractor’s or subcontractor’s failure to comply with this Exhibit F will enable City to seek the remedies specified in San Francisco Administrative Code Section 23.62 against the breaching party.

Tenant and its Agents shall comply with the applicable record keeping and reporting requirements and shall cooperate in City inspections and audits for compliance with the Local Hiring Policy, including access to employees of its contractors and subcontractors and other witnesses at the Premises.

Tenant agrees that (i) Tenant shall comply with all applicable requirements of the Local Hiring Policy; (ii) the provisions of the Local Hiring Policy are reasonable and achievable by Tenant and its Agents; and (iii) Tenant has had, and its Agents will have prior to signing their permits for the Premises or any part thereof, a full and fair opportunity to review and understand the terms of the Local Hiring Policy.

EXHIBIT G

BUILDING IMPROVEMENTS

Section One – Priority (in initial two-year term of this Lease)

Life Safety improvements and expansion
Improve emergency exiting pathways
Upgrade lighting to meet current Life Safety/Fire Code(s) in all rooms
Upgrade/replace exit signage throughout the entire building
Elevator modernization project
Rodent mitigation
Pigeon mitigation

Section Two – Optional

Remove and replace all non-operable exterior doors
Removal/storage of conveyor belt
Replace/add roll up doors at loading dock areas
Accurate CAD drawings of entire building
Hazard mitigation (removal of physical obstructions on floors, etc.)
Architectural lighting
Interior painting
Power upgrades
Securing the building
Landscaping upgrades, as necessary
Removal of outdated air ducting throughout building
Interior and exterior safety lighting
Plumbing/leak repair