

File No. 260342

Committee Item No. 1

Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget and Finance Committee Date April 22, 2026

Board of Supervisors Meeting Date _____

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- Original Lease 9/15/2025
- RED Presentation 4/22/2026
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Completed by: Brent Jalipa Date April 16, 2026

Completed by: Brent Jalipa Date _____

1 [Real Property Lease Amendment - Chinese Hospital Association - 845 Jackson Street, 4th
2 Floor - Change of Expiration Date - Increase of Tenant Improvement Maximum
3 Reimbursement to \$800,000]

4 **Resolution approving and authorizing the Director of Property, on behalf of the City’s**
5 **Department of Public Health (“DPH”), to amend the lease of a portion of real property,**
6 **located 845 Jackson Street on the 4th Floor with Chinese Hospital Association, serving**
7 **as the temporary location of DPH’s Chinatown Public Health Center; changing the**
8 **lease expiration date from October 29, 2028 to the third year anniversary of the date of**
9 **the issuance of a change-of-use permit by the State of California Department of Health**
10 **Care Access and Information with no change to the total lease amount of**
11 **\$3,880,292.20; increasing the Construction to Leasehold Improvements reimbursement**
12 **allowance by an amount not to exceed \$500,000 for a new total maximum of \$800,000**
13 **(“Lease Amendment); and authorizing the Director of Property to execute documents,**
14 **make certain modifications, and take certain actions that do not materially increase the**
15 **obligations or liabilities to the City and are necessary to effectuate the purposes of the**
16 **Lease Amendment or this Resolution.**

17
18 WHEREAS, The City and County of San Francisco (“City’), acting by and through its
19 Real Estate Division on behalf of Department of Public Health (“DPH”), is the tenant under
20 that certain Lease dated September 15, 2025 (the “Lease”) with Chinese Hospital Association
21 (“Landlord”) for approximately 11,894 square feet of care clinic space located on the 4th Floor
22 at 845 Jackson Street, San Francisco, CA (the “Premises”); and

23 WHEREAS, The Lease, executed on October 30, 2025, currently provides for the term
24 expiration date of October 29, 2028; and

25

1 WHEREAS, Operational needs of the City now require an adjustment to the Lease
2 term expiration date to ensure safety, continuity of services, and alignment with departmental
3 space planning; and

4 WHEREAS, The Real Estate Division has negotiated a proposed amendment to the
5 Lease (“Lease Amendment No.1”) that would revise the term expiration date from October 29,
6 2028 to three years following Rent Commencement dependent on obtaining receipt of a
7 temporary use permit from the California Department of Health Care Access and Information
8 (HCAI), formerly Office of Statewide Health Planning and Development (OSHPD), and
9 California Department of Public Health, with all other terms and conditions of the Lease
10 remaining substantially unchanged; and

11 WHEREAS, The proposed change in the term expiration date is in the best interest of
12 the City and supports efficient administration of municipal operations; and

13 WHEREAS, The Lease contemplates the design and construction of tenant
14 improvements to support DPH operational, programmatic, accessibility needs, and State
15 approved temporary use permitting, and provides a Construction to Leasehold Improvements
16 reimbursement allowance not to exceed the amount of \$300,000; and

17 WHEREAS, Following further development meeting with Department of Health Care
18 Access and Information, the required scope was expanded to update the fire life safety
19 system, necessitating an increase in the Construction to Leasehold Improvements
20 reimbursement allowance; and

21 WHEREAS, City and Landlord desire to amend the Lease to increase the Construction
22 to Leasehold Improvements reimbursement allowance by \$500,000 for a total reimbursement
23 allowance of \$800,000 to be applied to hard and soft costs of the leasehold improvements
24 consistent with the Lease and industry standards; and

25

1 WHEREAS, The proposed increase will facilitate timely delivery of a safe, accessible,
2 code-compliant, and operationally effective workspace, reduce schedule risk, and minimize
3 future change orders; and

4 WHEREAS, The Controller has certified that funds are available for said increase,
5 subject to Board of Supervisors appropriation, and any future year obligations are subject to
6 annual appropriation; now, therefore, be it

7 RESOLVED, That in accordance with the recommendation of the Director of the
8 Department of Public Health, in consultation with the City Attorney, the Director of Property is
9 hereby authorized to take all actions on behalf of the City and County of San Francisco, as
10 Tenant, to execute the Lease Amendment; and, be it

11 FURTHER RESOLVED, That the Board of Supervisors authorizes the Director of
12 Property to enter into any other amendments or modifications to the Lease that the Director of
13 Property determines, in consultation with DPH and the City Attorney, are in the best interest of
14 the City, do not increase the rent or otherwise materially increase the obligations or liabilities
15 of the City; are necessary or advisable to effectuate the purposes of the Lease Agreement
16 and this Resolution; and are in compliance with all applicable laws, including City's Charter;
17 and, be it

18 FURTHER RESOLVED, That within 30 days of the Lease Amendment being fully
19 executed by all parties, the Real Estate Division will provide the fully executed copy to the
20 Clerk of the Board for inclusion into the official file.

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<p>Item 1 Files 26-0342</p>	<p>Department: Department of Public Health (DPH), Real Estate Division (RED)</p>
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EXECUTIVE SUMMARY

Legislative Objectives

- The proposed resolution would approve the first lease amendment with DPH (as tenant) and Chinese Hospital Association (as landlord) for the 11,894 square foot premises on 845 Jackson Street, revising the lease expiration date from October 29, 2028 to three years following the rent commencement date, contingent on the issuance of temporary change of use permits from the State. The proposed amendment would increase the maximum reimbursement for tenant improvements from \$300,000 to \$800,000.

Key Points

- In October 2025, the Board of Supervisors approved a new lease with DPH (as tenant) and Chinese Hospital Association (as landlord) for the premises on 845 Jackson Street, for a three-year term with one extension option for one-year, and an annual base rent of \$499,548, or \$42 per square foot. The leased premises will be used as a temporary DPH Chinatown Public Health Center during renovation of its existing space.
- The State identified additional fire and life safety system requirements associated with converting the space from hospital use to clinic use, which delayed issuance of temporary use permits. DPH is proposing to change the lease expiration date to three years following permit issuance (which is also the rent commencement date) to align the lease term with the project schedule. This would extend the lease by an estimated seven months.

Fiscal Impact

- The resolution would increase the maximum amount for tenant improvements by \$500,000, for a new total of up to \$800,000 due to the additional fire and life safety system requirements. Rent and other lease costs, totaling an estimated \$3.1 million over the potential four-year term, are unchanged. Lease costs are funded by the City’s General Fund, subject to Board of Supervisors’ appropriation approval in DPH’s annual budget.

Policy Consideration

- Chinese Hospital has experienced sustained financial decline over the past decade, reporting negative net income since 2015. Preserving this community-serving institution may require performance improvement, strategic partnerships, or other interventions.

Recommendations

- Amend the resolution to delete the statement “with no change to the total lease amount of \$3,880,292.20” for clarity and approve the proposed resolution, as amended.

MANDATE STATEMENT

Administrative Code Section 23.27 states that the Board of Supervisors shall approve all leases on behalf of the City as tenants by resolution for which the term is longer than a year and costs over \$15,000 per month.

BACKGROUND

Temporary Relocation of Chinatown Public Health Center to Chinese Hospital

In November 2024, San Francisco voters approved Proposition B, the 2024 Healthy, Safe and Vibrant San Francisco General Obligation Bond. In June 2025, the Board of Supervisors approved the first issuance of those bonds and appropriated \$71.1 million of bond proceeds to fund a seismic retrofit and renovation of the Chinatown Public Health Center, which is owned by the Department of Public Health (DPH) and located at 1490 Mason Street (File 25-0349). The center provides primary care/family medicine services, specialty services (e.g., podiatry, acupuncture), health education, a nurse clinic, pharmacy services, behavioral services, and dental services, among others. The renovation project will also co-locate the Chinatown Child Development Center at the Chinatown Public Health Center, which primarily serves limited or non-English speaking patients, immigrants and low-income residents from the Chinese and Asian American community. Consequently, services at the center must be relocated while the existing space undergoes construction. DPH and the Real Estate Division (RED) selected the Chinese Hospital as the temporary relocation space due to its status as a licensed healthcare facility and central location within the Chinatown area. In October 2025, the Board of Supervisors approved a new lease with DPH (as tenant) and Chinese Hospital Association (as landlord) for the 11,894 square foot premises on 845 Jackson Street, for a three-year term with one extension option for one-year, and an annual base rent of \$499,548, or \$42 per square foot (File 25-0984).

Change of Use Permits

DPH’s leased premises include 11,581 square feet on the 4th Floor, 181 square feet on the 1st Floor Common Area, and 132 square feet on the 2nd Floor Common Area¹ for a total of 11,894 square feet at the Chinese Hospital. The fourth floor of the Chinese Hospital is currently licensed as hospital space. According to DPH, because the hospital plans to reduce its licensed bed count² by leasing this space, it must obtain temporary change of use approvals³ (permits) from both the California Department of Health Care Access and Information (HCAI) and the California Department of Public Health (CDPH). Until these permits are secured, DPH is not authorized to use or occupy the space. Under the lease, the rent commences when temporary use permits from

¹ These are the common areas or paths of travel through the building that will be used by DPH. The common areas include 1,999 square feet on the 1st Floor (lobby entrance/hallway to elevator) and 1,459 square feet on the 2nd Floor (elevator to loading dock). The City’s proportionate share (9.04%) of the common areas are 181 square feet and 132 square feet respectively, which are included in the calculation of the Base Rent and operating costs.

² DPH states that the licensed bed count will be reduced by 19 because of the temporary relocation. The floor is currently being used for patient acute care.

³ DPH states that the change of use permit process is a regulatory prerequisite to ensure compliance with state licensing and operational standards

the State are secured. The Chinese Hospital initially anticipated securing HCAI approval by December 2025 and CDPH approval by March 2026. However, HCAI identified expanded fire and life safety system requirements, including necessary upgrades to the fire alarm system associated with converting the space from hospital use to clinic use, which delayed the securing of the permits. Consequently, RED and DPH are proposing a lease amendment to revise the lease term to align with delayed State permit approvals and expand the scope of tenant improvements, which is now under consideration for approval by the Board of Supervisors.

DETAILS OF PROPOSED LEGISLATION

The proposed resolution would approve the first lease amendment with DPH (as tenant) and Chinese Hospital Association (as landlord) for the 11,894 square foot premises on 845 Jackson Street, revising the lease expiration date from October 29, 2028 to three years following the rent commencement date, contingent on the issuance of temporary change of use permits from the California Department of Health Care Access and Information (HCAI) and the California Department of Public Health (CDPH). The proposed amendment would increase the maximum reimbursement for tenant improvements from \$300,000 to \$800,000. The amendment also authorizes RED to make further amendments to the lease so long as they do not increase the City’s liabilities. The lease term would commence upon Board of Supervisors’ approval.

The annual base rent of \$499,548, or \$42 per square foot and total estimated lease costs of \$3,080,292 (excluding tenant improvements) will not change. The proposed resolution states there will be no change to the total lease amount of \$3,880,292.20, which includes the proposed \$800,000 tenant improvement reimbursement amount under the lease amendment. We recommend that the proposed resolution be amended to delete the statement “with no change to the total lease amount of \$3,880,292.20” for clarity.

The proposed lease changes are summarized in Exhibit 1 below.

Exhibit 1. Summary of Existing Lease and Proposed Lease Amendment

	Existing Lease	Proposed Amendment
Premises	11,581 square feet (4 th Floor), 181 square feet (1 st Floor Common Area), and 132 square feet (2 nd Floor Common Area) for a total of 11,894 square feet at the Chinese Hospital located at 845 Jackson Street	No change
Base Rent (annual)	\$499,548 (\$42.00 per square foot) Rent commences when temporary use permits from the state are secured.	No change
Base Rent Adjustment Amount	Three percent annually	No change
Term	Three years commencing upon approval of the proposed resolution. Lease was executed on October 30, 2025 with a termination date of October 29, 2028.	Lease will expire three years from the rent commencement date, contingent upon issuance of required temporary change of use permits from the State
Options to extend	One option to extend for one year. After the expiration of the extension option, the lease will convert to month-to-month.	No change
Services and Utilities	City pays for utilities (electricity, water, sewer, and natural gas if applicable) at a fixed monthly rate of \$10,780, increased by three percent annually. City pays for 13 wireless access points at fixed monthly rate of \$325. City pays for janitorial services.	No change
Operating Costs	City pays percentage share of Building Common Area Maintenance Expenses at monthly rate of \$8,636.36 for the initial year. Annual increases will be based on actual building expenses but not to exceed three percent. Operating costs include security services, ambassadors/patient navigators, elevator maintenance, HVAC maintenance, and building maintenance.	No change
City's Percentage Share of Operating Costs	9.04%	No change
Tenant Improvements	City will reimburse landlord up to \$300,000 for tenant improvements necessary to obtain temporary change of use permits as required by the State. The scope has not been finalized but may include installation of fire alarm strobe devices, addition of self-closing door mechanisms, and updates to room signage. City will also pay for AT&T fiber and IT equipment installation.	City will reimburse landlord up to \$800,000 for tenant improvements necessary to obtain temporary change of use permits as required by the State. The proposed scope is detailed in Exhibit 2 below and reflects expanded fire and life safety system requirements identified by the State. City will also pay for AT&T fiber and IT equipment installation.

Source: Proposed Lease Amendment

Note: Lease term commences upon approval of the proposed resolution.

Lease Term

DPH is proposing to change the lease expiration date to three years following the rent commencement date to align the lease term with the delayed project schedule to ensure continuity of operations at the temporary site. As previously mentioned, rent commences when temporary use permits from the State are secured. According to DPH, CDPH approval was secured in October 2025, and HCAI approval is anticipated on June 2, 2026. DPH states that rent commencement of the lease is expected on June 3, 2026, with DPH’s move into the hospital anticipated to begin shortly thereafter on June 8, 2026. The estimated end date of the initial term is June 2, 2029. Based on the estimated rent commencement date, the proposed resolution would extend the term of the lease agreement by approximately seven months.

According to DPH, the anticipated completion date of the seismic retrofit and renovation of the Chinatown Public Health Center remains February 2029⁴ and has not changed. RED states that the lease cannot be terminated early if the project completes sooner than anticipated, though DPH states that the work will not be completed before the end of the initial term. At the end of the initial term, DPH can exercise the one-year option if needed or continue as a month-to-month tenancy (under Section 24.12 of the proposed lease) if the project does not require a full additional year. After the expiration of the extension option, the lease will convert to month-to-month.

Site Usage

As previously mentioned, the leased premises will be used as a temporary Chinatown Public Health Center during construction of its existing space. According to DPH, all the services at the Chinatown Public Health Center will be relocated, except for dental services.⁵ According to DPH, 40 staff will be relocated to the leased premises.

Updated Tenant Improvements

Under the proposed lease amendment, DPH must reimburse the Chinese Hospital up to \$800,000 for tenant improvements needed to obtain temporary change of use permits as required by the State. This represents an increase of \$500,000 from the previously approved \$300,000 cap. As previously mentioned, the proposed increase is needed to accommodate expanded scope requirements identified by HCAI, including upgrades to the fire safety system associated with converting the space from hospital use to clinic use (e.g., additional strobe and speaker devices

⁴ According to our report in the first issuance of the 2024 Vibrant GO bonds, DPH estimated that the Chinatown Public Health Center renovation would be complete by November 2027. According to DPH, the timeline has been extended to February 2029 for the following reasons: (1) The Department of Building Inspection requested a third party structural review which led to a redesign of seismic upgrades and delayed the DBI permit approval process, (2) Construction delays were caused by complicated seismic work within a tunnel, and (3) Chinese Hospital did not anticipate needing change of use approvals from HCAI, which was requested by CDPH. DPH states that the project is currently in bid award phase with Public Works. Construction Notice to Proceed issuance is planned for July 2026, and construction completion remains February 2029. Chinese Hospital is planning on restoring the space back to acute care patient rooms after DPH relocates to the renovated Chinatown Public Health Center.

⁵ Dental services will be continued at other DPH clinics (Silver Avenue Family Health Center, Southeast Family Health Center, Maria X Martinez Health Resource Center and Potrero Hill Health Center) that offer dental services.

in all rooms). According to DPH, the updated tenant improvements reimbursement amount of \$800,000 is based on revised cost estimates of both hard and soft construction costs needed to meet State regulatory requirements. Exhibit 2 below shows the proposed tenant improvements under the lease amendment.

Exhibit 2: Proposed Tenant Improvements Under Lease Amendment

Cost Category and Vendor	Amount
Architect – Treanor	\$33,115
Fire Alarm Design Service – Johnson Controls International	30,700
Construction of Fire Alarm System General Contractor – MarCon Builders	598,910 ⁶
Electrical Engineer Service – F.W. Associates, Inc.	7,500
Door Hinge Replacement – Chinese Hospital	10,205
Room Signage – Priority Architectural Graphics	13,684
HCAI Permit Fee	10,000
HCAI Inspector Service Fee	17,900
Special Inspection and Materials Testing – BSK Associates	6,391
Project Contingency	71,595
Total	\$800,000

Source: DPH

The lease also stipulates that the City will pay for AT&T fiber and IT equipment installation at the Chinese Hospital. DPH states that the department will work with AT&T directly for this installation, and DPH’s IT team will install the IT equipment.⁷

FISCAL IMPACT

As shown in Exhibit 3 below, over the initial three-year term plus optional one-year extension of the proposed lease, total rent to be paid by DPH is \$2,089,923 and the total cost (which includes up to \$800,000 in tenant improvements, operating expenses, utilities, and wireless access points) is estimated to be \$3,880,292. As previously mentioned, the rent commences when temporary use permits from the state are secured, which is anticipated in June 2026. The proposed resolution would increase the maximum amount for tenant improvements by \$500,000 but the other lease costs are unchanged.

⁶ This includes a 15 percent contingency of construction costs (approximately \$60,000 of \$400,000), \$75,000 in Friday and weekend work contingencies to expedite construction (approximately 19 percent of \$400,000) and \$65,140 in off-hour work for noise reduction.

⁷ According to DPH, AT&T will not charge for installation. The IT equipment is estimated to cost \$122,094.

Exhibit 3. Total Estimated Costs Under Proposed Lease Amendment

	Annual Rent	Operating Expenses⁸	Utilities	Wireless Access Points	Total
Year 1	\$499,548	\$103,636	\$129,360	\$3,900	\$736,444
Year 2	514,534	106,745	133,241	3,900	758,421
Year 3	529,970	109,948	137,238	3,900	781,056
Year 4	545,870	113,246	141,355	3,900	804,371
Subtotal, Rent & Operating Costs	\$2,089,923	\$433,576	\$541,194	\$15,600	\$3,080,292
Tenant Improvements					\$800,000
Total					\$3,880,292

Source: Lease Agreement

Note: Operating expenses and utilities include a three percent annual escalation. The lease has an initial three-year term, plus one optional one-year extension.

As previously mentioned, the proposed amendment does not change the base rent or estimated operating costs, as well as the three percent annual rent increases.

The total cost would be paid from the City’s General Fund, subject to Board of Supervisors’ appropriation approval in DPH’s annual budget.

POLICY CONSIDERATION

The proposed lease would provide temporary space for four years to relocate DPH Chinatown Public Health Center clinical services while the permanent building undergoes seismic renovation. During that time, DPH will pay \$3.08 million in rent and other operating costs, funded by the General Fund and also spend \$0.8 million in General Fund monies for improvements to the space.

The organization has struggled financially for the past ten years. According to their tax filings, the last year Chinese Hospital reported positive net income was 2015. In 2019, Chinese Hospital reported negative net income of \$6 million and net assets of \$169 million. In 2024, Chinese Hospital reported negative net income of \$22 million and net assets of \$123.3 million. If this non-profit were monitored in the Citywide Fiscal & Compliance Non-Profit Monitoring Program, these financial conditions would likely result in a Tier 2 Corrective Action designation, which requires non-profits to participate in action planning and technical assistance. According to California Department of Health Care Access and Information data, Chinese Hospital has 88 licensed beds, of which 33 were staffed, on average, in 2024. The proposed lease removes space for 19 unused beds, or 21.6 percent of Chinese Hospital’s bed capacity.

⁸ DPH would pay its percentage share (9.04 percent) of the costs to maintain the Building Common Areas, which would be a monthly rate of \$8,636.36 for the initial year. Annual increases will be based on actual building expenses but capped at three percent. These operating costs include security services, ambassadors/patient navigators, elevator maintenance, HVAC maintenance, and building maintenance.

Chinese Hospital is a non-profit independent of the City that provides medical care to patients in Chinatown and has historically served the Chinese community since 1899. Preserving this community serving institution may require performance improvement, strategic partnerships or other interventions.

RECOMMENDATIONS

1. Amend the resolution to delete the statement “with no change to the total lease amount of \$3,880,292.20” for clarity.
2. Approve the proposed resolution, as amended.

FIRST AMENDMENT TO OFFICE LEASE

THIS **FIRST** AMENDMENT TO OFFICE LEASE (this "**Amendment**") is made as of _____, 20__, in San Francisco, California, by and between CHINESE HOSPITAL ASSOCIATION, a California nonprofit corporation ("**Landlord**"), and the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation ("**City**" or "**Tenant**").

RECITALS

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

A. City and Landlord have previously entered into that certain office lease between Chinese Hospital Association, and Landlord, and City and County of San Francisco, as Tenant, dated as of September 15, 2025, (the "**Lease**"), for the lease located at 845 Jackson Street, San Francisco, CA 94133, being a portion of Lot 041, in Assessor's Block 0192, San Francisco, California.

B. Landlord has leased to City the premises in the Building identified in the Basic Lease Information (the "**Premises**"). City is using the Premises for non-hospital-based clinic space, pending state permitting and approvals and such other uses as specified in the Basic Lease Information.

C. The Term of the Lease is scheduled to expire on October 29, 2028.

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

1. **Amendment to Lease**. As of the Effective Date, the following subsections in Section 1 (Basic Lease Information) and **Section 6** (Leasehold Improvements) are hereby amended and restated in their entirety to read as follows:

Term (Section 3):

Commencement Date:

Effective Date, upon approval of the Board of Supervisors, the Mayor and execution by the Director of Property.

Rent Commencement shall be upon receipt of the Temporary Use permit per Section 5.1.

Expiration date:

Three (3) years following Rent Commencement

6.2 Construction of Leasehold Improvements. Landlord will perform all work related to obtaining HCAI approval for a change of use from an acute care hospital (I-

2 Occupancy) to an outpatient use (B occupancy) referred to as the “**Leasehold Improvements.**” City to reimburse Landlord for actual paid invoices for the cost of the work, not to exceed \$800,000. In the event the cost of the Leasehold Improvements is anticipated to exceed this not-to-exceed amount, the parties shall meet in good faith to review the scope of work and discuss potential adjustments to the allowance or project scope.

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

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

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

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

6. **Notification of Prohibition on Contributions.** By executing this Amendment, Landlord acknowledges its obligations under section 1.126 of the City’s Campaign and Governmental Conduct Code, which prohibits any person who leases, or seeks to lease, to or from any department of the City any land or building from making any campaign contribution to (a) a City elected official if the lease must be approved by that official, (b) a candidate for that City elective office, or (c) a committee controlled by that elected official or a candidate for that office, at any time from the submission of a proposal for the lease until the later of either the termination of negotiations for the lease or twelve (12) months after the date the City approves the lease. Landlord acknowledges that the foregoing restriction applies only if the lease or a combination or series of leases or other contracts approved by the same individual or board in a fiscal year have a total anticipated or actual value of one Hundred Thousand Dollars (\$100,000) or more. Landlord further acknowledges that (i) the prohibition on contributions applies to each prospective party to the Lease; any person with an ownership interest of more than 10 percent (10%) in Landlord; any subcontractor listed in the Lease; and any committee that is sponsored or controlled by Landlord; and (ii) within thirty (30) days of the submission of a proposal for the Lease, the City department with whom Landlord is leasing is obligated to submit to the Ethics Commission the parties to the Lease and any subcontractor. Additionally, Landlord certifies that it has informed each such person of the limitation on contributions imposed by Section 1.126 by the time it submitted a proposal for the Lease, and has provided the names of the persons required to be informed to the City department with whom it is leasing.

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

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

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

9. **Effective Date.** The "Effective Date" means the date that (a) City's Board of Supervisors and the Mayor, in their sole and absolute discretion, have adopted the Resolution approving this Amendment in accordance with all applicable legal requirements and (b) this Amendment is duly executed and delivered by the parties.

10. **Miscellaneous.** Except as expressly modified herein, the terms, covenants and conditions of the Lease shall remain unmodified and in full force and effect. The Lease as amended by this Amendment constitutes the entire agreement of the parties concerning the subject matter hereof, and supersedes and conceals any and all previous negotiations, agreements, or understandings, if any, regarding the matters contained herein. The execution of this Amendment shall not constitute a waiver of relinquishment of any rights which the City may have relating to the Lease. Landlord and City hereby ratify and confirm all of the provisions of the Lease as amended by this Amendment.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

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

LANDLORD: CHINESE HOSPITAL ASSOCIATION,
a California nonprofit corporation

By: 
Name: Michael Chung

Its: Chief Financial Officer

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

By: _____
Sarah R. Oerth
Director of Property

APPROVED AS TO FORM:

DAVID CHIU, City Attorney

By: _____
Anna Parlato Gunderson
Deputy City Attorney



Lease Amendment 845 Jackson Street

Real Property Lease Amendment

Providing additional allowance for construction of leasehold improvements

REAL ESTATE DIVISION

San Francisco Department of Public Health
Budget and Finance Committee | April 22, 2026

Background

DPH will lease space at 845 Jackson Street (Chinese Hospital) as a temporary relocation solution while Chinatown Public Health Center undergoes a renovation including seismic retrofit and modernization of building systems (2024 Healthy, Safe & Vibrant GO Bond)

- **The board approved this lease in October 2025**

Proposed Amendments to Lease Agreement

Leasehold Improvements

- Lease included reimbursement for all work related to obtaining State licensing approval for change of use permits
- State requirements for change of use permit has expanded (fire alarm system updates including additional strobe and speaker devices in all rooms)
- **Amendment:** Increase not to exceed from \$300,000 to \$800,000 to obtain change of use permit

Lease Expiration

- Current term: 3 years following Lease commencement or October 29, 2028.
- **Proposed amendment term:** 3 years following Rent commencement or approximately June 2029.



Questions?

OFFICE LEASE

between

CHINESE HOSPITAL ASSOCIATION,
as Landlord

and

CITY AND COUNTY OF SAN FRANCISCO,
as Tenant

For the lease of
845 Jackson Street
San Francisco, California

September 15, 2025

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LIST OF EXHIBITS AND SCHEDULES

- EXHIBIT A — Floor Plan(s) of Premises
- EXHIBIT B — Notice of Commencement Date
- EXHIBIT C — Rules and Regulations
- EXHIBIT D — Standards for Utilities and Services
- EXHIBIT E — Intentionally Omitted
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- EXHIBIT J — Request for Additional Services
- EXHIBIT K — Building Common Area Maintenance Costs

COMMERCIAL LEASE

THIS OFFICE LEASE (this “**Lease**”), dated for reference purposes only as of September 15, 2025, is by and between CHINESE HOSPITAL ASSOCIATION, a California nonprofit corporation (“**Landlord**”), and the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation (“**City**” or “**Tenant**”).

Landlord and City hereby agree as follows:

1. BASIC LEASE INFORMATION

The following is a summary of basic lease information (the “**Basic Lease Information**”). Each item below is deemed to incorporate all of the terms in this Lease pertaining to that item. If there is any conflict between the information in this Section and any more specific provision of this Lease, the more specific provision will control.

Lease Reference Date:	September 15, 2025
Landlord:	CHINESE HOSPITAL ASSOCIATION
Tenant:	CITY AND COUNTY OF SAN FRANCISCO
Building (<u>Section 2.1</u>):	845 Jackson Street, San Francisco, California
Premises (<u>Section 2.1</u>):	4 th Floor, Common Areas on the 1 st and 2 nd Floors
Rentable Area of Premises (<u>Section 2.1</u>):	Approximately 11,894 rentable square feet, consisting of 11,581 rentable square feet on the 4th Floor, 181 rentable square feet of the Common Area of the 1 st Floor, and 132 rentable square feet of Common Areas on the 2nd Floors
Term (<u>Section 3</u>):	Commencement Date: Effective Date, upon approval of the Board of Supervisors, the Mayor and execution by the Director of Property. Rent Commencement shall be upon receipt of the Temporary Use permit per Section 5.1. Expiration date: Three (3) years following Lease Commencement
Extension Option(s) (<u>Section 3.4</u>):	One (1) additional term(s) of one (1) year each, exercisable by City by notice to Landlord given not less than 9 months in advance, with rent by 3% of the previous year’s rent. Following the expiration of the extension option, if exercised pursuant to specified conditions in Section 3.4 below, the lease shall convert to a month-to-

month tenancy on the same terms and conditions.

Base Rent (Section 4.1):

Annual Base Rent: \$499,548.00 (\$42.00 per sq. ft.)

Monthly payments: \$41,629.00 (\$3.50 per sq. ft.)

Base Rent Adjustment; Adjustment Dates (Section 4.2):

Rent increased by three percent (3%) annually.

City's Percentage Share (Section 4.9):

9.04%

Use (Section 5.1):

Landlord will be responsible for obtaining approval for the California Department of Health Care Access and Information (HCAI), formerly Office of Statewide Health Planning and Development (OSHPD), and California Department of Public Health for temporary change of use.

Leasehold Improvements (Section 6):

AT&T Fiber installation and signage.

Utilities (Section 9.1):

City shall reimburse Landlord for utilities at a fixed monthly rate of \$10,780, increased by three percent (3%) annually.

Building Common Area Maintenance Expenses (Section 9.2)

City shall pay City's percentage share of Building Common Area Maintenance expenses ("CAM"). The current rate is \$8,636.36 per month, increasing annually by no more than three 3%.

Services (Sections 8.2 and 9.3):

City is responsible for janitorial service. Landlord is responsible for facility maintenance in response to maintenance request from City.

Notice Address of Landlord (Section 24.1):

Chinese Hospital Association
845 Jackson Street
San Francisco, CA 94133
Attn: Chief Executive Officer
Fax No.: (415) 217-4188

Landlord's Key Contact:

Frank Gee / Jeff Law

Landlord Contact Telephone No.:

(415) 677-2417 / (628) 228-2601

Tenant's Notice Address (Section 24.1):

Real Estate Division
25 Van Ness Avenue, Suite 400
San Francisco, California 94102
Attn: Director of Property
Re: **845 Jackson Street (Chinese Hospital)**

with a copy to:

SF Department of Public Health
1145 Mission Street, Suite 1100
Attn: Peter Byrne
Email: peter.byrne@sfdph.org

and to:

Office of the City Attorney
City Hall, Room 234
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4682
Attn: Real Estate & Finance Team
Re: **845 Jackson Street (Chinese Hospital)**
Fax No.: (415) 554-4757

Tenant's Key Contact:

Jeff Suess

Tenant Contact Telephone No.:

(415) 554-9873

Tenant's Alternate Contact:

Peter Byrne

Alternate Contact Telephone No.:

(628) 271-7509

2. PREMISES

2.1 Lease Premises

Landlord leases to City and City leases from Landlord, subject to the provisions of this Lease, those premises in the building identified in the Basic Lease Information (the "**Building**") and shown on the floor plan(s) attached as **Exhibit A** (the "**Premises**"). The Premises contain the rentable area and are located on the 4th floor of the Building specified in the Basic Lease Information. In addition, City shall have the right to use designated common areas on the 1st Floor and 2nd Floor as shown in Exhibit A-1 (the "Common Areas"). The Building, the land on which the Building is located, and all other improvements on or appurtenances to the land are referred to collectively as the "**Property**."

2.2 Common Areas

City has the non-exclusive right to use, together with Landlord, 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. City acknowledges that the Common Areas include 1,999 square feet on the 1st Floor (lobby entrance/hallway to elevator) and 1,459 square feet on the 2nd Floor (elevator to loading dock). The City's proportionate share of the common areas are 181 square feet and 132 square feet respectively, which are included in the calculation of the Base Rent. City shall pay its proportionate share of the costs to maintain the Common Areas as part of Operating Costs in accordance with Section 4.6.

2.3 Condition of the Premises on Delivery

Landlord will deliver the Premises to City in good, broom clean condition, fully demised, water tight, with all Building Systems (as defined in Section 8.1 (Landlord's Repairs)) in good working order, condition, and repair, and all other systems in and serving the Premises in good working order, condition, and repair, and the Premises, the Building, and the Common Areas in compliance with all applicable Laws, as provided in Section 10.1 (Landlord's Compliance with Laws; Premises Condition; Indemnity) with the Leasehold Improvements (as defined below) substantially completed by Landlord and confirmed by City under Section 6.1 (Landlord's Obligation to Construct Improvements).

2.4 Disability Access

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

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

"A Certified Access Specialist (CASp) can inspect the subject premises and determine whether the subject premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the subject premises, the commercial property owner or lessor may not prohibit the lessee or tenant from obtaining a CASp inspection of the subject premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the premises."

If City elects to obtain an inspection, City and Landlord will mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the CASp inspection fee, and the cost of any repairs necessary to correct violations of construction-related accessibility standards.

3. TERM

3.1 Term of Lease

The Premises are leased for a term (the "Term") commencing on the date that Landlord has delivered and City has accepted the Premises in the condition required under this Lease with the Leasehold Improvements (as defined below) substantially completed by Landlord and confirmed by City under Section 6.1 (Landlord's Obligation to Construct Improvements), which may not be before the Effective Date, as provided in Section 24.22 (Effective Date). The Term will end on the expiration date specified in the Basic Lease Information, or the date that this Lease is earlier terminated under the provisions of this Lease, unless City extends the Term pursuant to Section 3.4 (Extension Option(s)), below.

3.2 Commencement Date and Expiration Date

The dates that the Term commences and expires under this Lease are the “**Commencement Date**” and the “**Expiration Date**.” If the Commencement Date occurs on a date other than the Estimated Commencement Date provided in the Basic Lease Information, then Landlord will promptly deliver to City a notice substantially in the form of the attached **Exhibit B** confirming the actual Commencement Date, but Landlord’s failure to do so will not affect the dates of commencement or expiration of the Term.

3.3 Delay in Delivery of Possession

Landlord will use its best efforts to deliver possession of the Premises in the condition required under this Lease. If Landlord is unable to deliver possession of the Premises to City as required under this Lease within ten (10) days after the Estimated Commencement Date, then, by written notice to Landlord, City may terminate this Lease, without any further liability to Landlord or City.

3.4 Extension Option(s)

Landlord grants City the right to extend the Term (the “**Extension Option(s)**”) for the additional term(s) specified in the Basic Lease Information (the “**Extended Term(s)**”). The Extended Term(s) will be on all of the terms and conditions contained in this Lease. Landlord acknowledges and agrees that City’s exercise of an Extension Option will be conditioned on and subject to the Board of Supervisors and the Mayor enacting a resolution, at their respective sole and absolute discretion, approving and authorizing the extension (“**Exercise Approval**”). Accordingly, City’s exercise of the Extension Option(s) will occur, if at all, in two steps. City may exercise an Extension Option, if at all, by giving first written notice to Landlord of the City’s intent to extend the Lease (the “**Exercise Notice**”) no later than nine (9) months before expiration of the Term; provided, however, if there is an uncured Event of Default on the date City gives an Exercise Notice, then Landlord may reject City’s Exercise Notice if City fails to cure the Event of Default within ten (10) days after Landlord’s written demand for City to cure the Event of Default. City will have sixty (60) days after the date the City delivers the Exercise Notice to Landlord to obtain Exercise Approval (unless the parties are proceeding under Section 4.3 (Determination of Base Rent for the Extended Term), in which event within sixty (60) days after the date the Director of Property approves the Base Rent under Section 4.3(b)(v) to obtain Exercise Approval). City makes no representation or warranty at the time of giving the Exercise Notice that City will receive Exercise Approval, and Landlord agrees that the Lease will not be extended if the City does not receive Exercise Approval for any reason or cause, including any alleged failure of advocacy. If the Exercise Approval is not received within the sixty (60)-day period, then Landlord may reject City’s exercise upon written notice to City at any time before City receives the Exercise Approval. On receipt of the Exercise Approval, Tenant shall notify Landlord and the Extension Option will be deemed exercised and binding on the parties. If City extends the Term as provided in this Section, then the word “Term” will mean and include any Extended Terms.

4. RENT

4.1 Base Rent

City will pay to Landlord the annual Base Rent specified in the Basic Lease Information (the “**Base Rent**”). The Base Rent is payable in equal monthly payments at the address specified for Landlord in the Basic Lease Information, or other place as Landlord may designate in writing on not less than thirty (30) days’ advance notice. City will pay the Base Rent monthly within thirty (30) days after invoice from Landlord and without any deductions or setoff except as otherwise provided in this Lease. 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 monthly payment of the Base Rent for the fractional month will be prorated based on a thirty (30)-day month.

4.2 Adjustments in Base Rent

On each date specified in the Basic Lease Information for the adjustment of Base Rent (an “**Adjustment Date**”), the Base Rent payable under Section 4.1 (Base Rent) will be adjusted as follows:

On each Adjustment Date, the Base Rent for the following twelve-month period will be adjusted to equal three percent (3%) of the Base Rent for the lease year preceding the Adjustment Date.

4.3 Determination of Base Rent for the Extended Term

At the commencement of the Extended Term, the Base Rent will be adjusted to reflect a three percent (3%) increase over the initial Base Rent.

4.4 Additional Charges

City will pay to Landlord charges or other amounts upon receipt of invoices and approval from Director of Property using the form provided in Exhibit J (“**Additional Charges**”), including the charges for City’s Percentage Share of Real Estate Taxes and Operating Costs, as provided below. All Additional Charges are payable to Landlord at the place where the Base Rent is payable. The Base Rent and Additional Charges are sometimes collectively referred to “**Rent.**”

4.5 Intentionally Omitted

4.6 Definitions

“**City’s Percentage Share**” means the percentage specified in the Basic Lease Information.

“**Expense Year**” means each calendar year commencing January 1st of each year during the Term, including any partial year in which this Lease commences. By advance written notice to City, Landlord may change the Expense Year to any other twelve (12) consecutive month period and, in the event of a change, City’s Percentage Share of Operating Costs will be equitably adjusted for the Expense Years involved in the change.

“**Operating Costs**” means those Building Common Area Maintenance costs that are outlined in Exhibit K.

“**Operating Costs**” expressly do not include the following:

- (i) Costs of capital repairs, capital improvements, capital equipment, and capital tools, and rental payments and other related expenses incurred in leasing air conditioning systems, elevators, or other equipment ordinarily considered to be of a capital nature, except as expressly permitted under clause (10) above;
- (ii) Rentals and other related expenses for items (except when needed in connection with normal repairs and maintenance of permanent systems) that, if purchased rather than rented, would constitute a capital

improvement that is specifically excluded in item (i) above (excluding, however, equipment not affixed to the Building that is used in providing janitorial or similar services);

(iii) Depreciation, amortization, and interest payments (including interest, principal, points, and fees on debt or amortization payment on any mortgages, deeds of trust, or other debt instruments) except to the extent permitted under clause (10) above and except on materials, tools, supplies, and vendor-type equipment purchased by Landlord to enable Landlord to supply services Landlord might otherwise contract for with a third party where the depreciation, amortization, and interest payments would otherwise have been included in the charge for the third party's services, all as determined in accordance with sound real estate accounting principles, consistently applied.

(iv) Costs incurred by Landlord because of fire, windstorm, or other casualty or by the exercise of the right of eminent domain to the extent Landlord is entitled to be compensated through proceeds or insurance or condemnation awards, or would have been reimbursed if Landlord had in force all of the insurance required to be carried by Landlord under this Lease,

(v) Costs incurred by Landlord if any portion of the Building is made untenable by fire or other casualty required to be insured against under the terms of the Lease and cost of earthquake repairs in excess of one hundred thousand dollars (\$100,000) per earthquake (for this purpose, an earthquake is defined collectively as the initial earthquake and the aftershocks that relate to the initial earthquake);

(vi) Costs for which the Landlord is entitled to be reimbursed (other than as a reimbursement of Operating Costs) under any warranty, or by any tenant or occupant of the Building, or by insurance by its carrier or any tenant's carrier, or by anyone else;

(vii) Costs, including permit, license, and inspection costs, incurred for the installation of improvements made for other tenants or occupants of the Building or incurred in renovating or otherwise improving, decorating, painting, or redecorating vacant space for tenants or occupants in the Building;

(viii) Leasing commissions, attorneys' and other professionals' fees, space planning costs, and all other costs and expenses in connection with negotiations with present or prospective tenants or other occupants in the Building or any present or future ground lessors or holders of any mortgages or other encumbrances affecting any of the Building;

(ix) Leasing commissions, attorneys' fees, costs, and disbursements and other expenses incurred in connection with negotiations or disputes with tenants or other occupants or prospective tenants or other occupants, or associated with the enforcement of any leases or costs of the defense of Landlord's title to the Building or the Property;

(x) Expenses in connection with services or other benefits that are not offered to City or for which City is charged directly but that Landlord provides to another tenant or occupant of the Building;

(xi) Costs incurred by Landlord resulting from any dispute under the terms and conditions of any lease, ground lease, mortgage, or deed of trust, or covenants, conditions, or restrictions encumbering the Building or Property, or any violation of applicable Laws by Landlord or any other tenant or occupant of the Building;

(xii) Costs incurred in connection with upgrading the Building to comply with disabled access, life, fire and safety codes in effect before the reference date of this Lease, and costs incurred in connection with upgrading the Building to comply with the Americans with Disabilities Act, as amended, Title

24 of the California Code of Regulations (or its successor), the San Francisco Sprinkler Ordinance and the San Francisco Unreinforced Masonry Building Ordinance;

(xiii) Payments for management or other services in or to the Building, or for supplies or other materials to Landlord's subsidiaries or affiliates, to the extent that the costs of the services, supplies, or materials exceed the costs that would have been paid had the services, supplies, or materials been provided by parties unaffiliated with the Landlord on a competitive basis;

(xiv) Costs for which Landlord has been compensated by a management fee, and any management fees in excess of management fees normally charged by landlords of comparable buildings in San Francisco;

(xv) Any ground lease rental or rental under any other underlying leases;

(xvi) Except as specifically permitted under clause (10) above, interest, principal, points, and fees on debts or amortization on any mortgage, deed of trust, or any other debt instrument encumbering any of the Building or the Property;

(xvii) Any compensation paid to clerks, attendants, or other persons in commercial concessions operated by Landlord or in any parking facility at or for the Building;

(xviii) All items and services for which City, any other tenant or occupant of the Building or anyone else reimburses Landlord (other than through a party's proportionate share of Operating Costs), or that Landlord provides selectively to one or more other tenants or occupants without reimbursement, or that are not provided in reasonable proportion to the Premises but that Landlord provides to another tenant or other occupant of the Building;

(xix) Advertising or promotional expenditures, and the costs of acquiring and installing signs in or on any of the Building identifying the owner of the Building or any tenant or occupant of the Building;

(xx) Costs of any electric power used by any tenant in the Building for which the tenant directly contracts with the local public service company or of which any tenant is separately metered or submetered and pays Landlord directly (and if any tenant in the Building contracts directly for electric power service or is separately metered or submetered during any portion of the relevant period, the total electric power costs for the Building must be "grossed up" to reflect what those costs would have been had each tenant in the Building used a commercially reasonable, standard amount of electric power);

(xxi) Services provided, taxes attributable to, and costs incurred in connection with the operation of retail, restaurant, and garage operations in the Building;

(xxii) "in-house" legal or accounting fees;

(xxiii) Real Estate Taxes, exclusions from Real Estate Taxes as set forth in the definition of that term below, and any tax penalties incurred as a result of Landlord's negligence or Landlord's inability or unwillingness to make tax payments when due;

(xxiv) Fines, costs, penalties, or interest resulting from the negligence or fault of other tenants or of the Landlord or their Agents;

(xxv) Costs arising from the presence of Hazardous Material in, under, or about the Building including groundwater or soil conditions;

(xxvi) Costs, fees, dues, contributions, or similar expenses for or related to charitable or political causes or candidates;

(xxvii) Costs as a result of repairs of latent defects in the design or original construction of the Building, or improvements made or installed by Landlord or any previous owner, or in the Building Systems;

(xxviii) Costs for sculpture, paintings, or other objects of art;

(xxix) Costs arising from claims, disputes, or potential disputes, including tax disputes where the tenants of the Building would receive benefits if Landlord prevails, in connection with potential or actual claims, litigation, or arbitrations pertaining to Landlord or the Building, including all attorneys' fees and costs of settlement, judgments, and other similar payments;

(xxx) All direct cost of refinancing, selling, exchanging, or otherwise transferring ownership of any portion of the Building or the Property or any interest in any portion of the Property, including broker commissions, attorney's fees, and closing costs;

(xxxi) Reserves for bad debts, rent loss, capital items, future improvements, repairs, or additions, Real Estate Taxes, or Operating Costs;

(xxxii) The wages and benefits of any employee who does not devote substantially all of his or her employed time to the Building unless the wages and benefits are prorated to reflect time spent on operating and managing the Building vis-a-vis time spent on matters unrelated to operating and managing the Building;

(xxxiii) Landlord's general corporate overhead and general and administrative expenses and all costs associated with the operation of the business of the ownership or entity that constitutes "Landlord," as distinguished from the costs of Building operations, management, maintenance or repair; and

(xxxiv) Any other expense that under sound real estate accounting principles would not be considered a maintenance or operating expense by landlord of comparable buildings in San Francisco.

4.7 Intentionally Omitted

4.8 Calculation of Operating Costs

Calculation of Operating Costs. The calculation of Operating Costs will be made in accordance with sound real estate accounting principles. Landlord will not collect or be entitled to collect Operating Costs from all of its tenants in the Building an amount that is more than 100% of the Operating Costs actually paid by Landlord in connection with the Building.

4.9 Payment of City's Percentage Share of Operating Costs

City shall pay to Landlord each month, as Additional Charges, the fixed monthly rate listed in Section 9.2 of the Lease. This fixed amount shall be paid monthly for the duration of the active lease term.

4.10 Intentionally Omitted

4.11 Intentionally Omitted

4.12 Intentionally Omitted

4.13 Proration

If the Commencement Date or Expiration Date occurred on a date other than the first or last day of a Tax Year or Expense Year, then City's Percentage Share of Real Estate Taxes or Operating Costs for the Tax Year or Expense Year in which the Commencement Date or Expiration Date occurs, will be prorated based on a three hundred sixty-five (365)-day year.

4.14 Audits

After not less than five (5) business days' notice to Landlord, City may audit the books and records of the Building related to Operating Costs and Real Estate Taxes. If the audit discloses any discrepancies that would result in a reduction of City's Percentage Share of Operating Costs for any Expense Year, Landlord will immediately refund to City the amount of any overpayment by City. City will pay the cost of the audit, but if an audit discloses any discrepancies that result in a reduction of City's Percentage Share of Operating Costs and/or Real Estate Taxes by three percent (3%) or more for any Expense Year or Tax Year, then Landlord will pay the costs of the audit.

4.15 Records

Landlord will maintain at its offices in San Francisco in a safe, complete, and organized manner all of its records related to this Lease, Real Estate Taxes, Operating Costs, and any other charges paid by City under this Lease, for at least three (3) years after the Expiration Date or earlier termination of the Term. Landlord will maintain the records on a current basis and in sufficient detail to facilitate adequate review and audit. All books and records will be available for inspection, copying, and audit by City and its representatives, at City's expense, subject to the provisions of Section 4.14 (Audits).

4.16 Payments by City

Landlord acknowledges that City cannot make any payments to Landlord unless Landlord is qualified as an approved vendor in City's financial and payment system. Therefore, City will not be in default of any monetary obligation under this Lease and no interest or late charge will apply, if Landlord is not an approved vendor with City. More information about being an approved vendor with City is available at <https://sfcitypartner.sfgov.org/Vendor/BecomeSupplier>. All Rent that has accrued while Landlord was not an approved vendor will be payable within twenty (20) after City receives Landlord's written notice and the Contract Monitoring Division confirms that Landlord has been approved as a City vendor.

4.17 Landlord's Compliance with City Business and Tax Regulations Code

Landlord acknowledges that under Section 6.10-2 of the San Francisco Business and Tax Regulations Code, the City Treasurer and Tax Collector may require the withholding of payments to any vendor that is delinquent in the payment of any amounts that the vendor is required to pay the City under the San Francisco Business and Tax Regulations Code. If, under that authority, any payment City is required to make to Landlord under 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 Landlord, without interest, late fees, penalties, or other charges, upon Landlord coming back into compliance with its San Francisco Business and Tax Regulations Code obligations.

4.18 Additional Services

City may request that Landlord provide or arrange for additional services for the Premises, which Landlord shall provide or arrange in its reasonable discretion. Landlord shall provide a written estimate for the scope of work requested by City and City shall approve the cost and scope of those services in advance and in writing see, Exhibit J, then City will pay Landlord as Additional Charges the cost of those services. Landlord may not contract for or provide any services (and City will not be obligated to pay for such services) without City's prior written approval of the cost of the additional services (which may be the known costs, or an hourly rate and maximum number of hours, or a cost estimate with a not-to-exceed maximum amount) in writing before

Landlord incurs any costs. City will pay for the cost of the additional services within thirty (30) days after receipt of an invoice; provided, however, that City may elect to provide any deposit or other prepayment that City determines is appropriate given the nature of the requested services. Any additional terms for the additional services will be memorialized by a written agreement, which, upon execution by Landlord and City, will be considered a part of this Lease.

5. USE

5.1 Permitted Use

Landlord (a General Acute Care Hospital) will be responsible for obtaining approval from the California Department of Health Care Access and Information (HCAI), formerly Office of Statewide Health Planning and Development (OSHPD), and California Department of Public Health for a temporary change of use. The temporary change of use permit from the California Department of Health will allow for a change in the hospital bed licenses required and the temporary use of space to a non-hospital-based clinic space. City may use the Premises pursuant to the approvals.

5.2 Observance of Rules and Regulations

City will observe the rules and regulations for the Building attached to this Lease as **Exhibit C** (the “**Rules and Regulations**”), but the provisions of this Lease will govern over any conflicting Rules and Regulations. Landlord may make reasonable changes to the Rules and Regulations, but all changes must be applicable to all other Building tenants and the changes may not **(a)** reduce Landlord’s obligations under the Lease, **(b)** conflict with the provisions of this Lease, **(c)** materially increase City’s burdens or obligations, **(d)** impose a charge on City for services that this Lease expressly states are to be provided to City at no charge, or **(e)** materially adversely affect any permitted use of the Premises. The changes permitted under this Section will be binding on City within a reasonable implementation period after delivery of Landlord’s written notice of the changes to City. Landlord will administer the Rules and Regulations in a fair and nondiscriminatory manner and use reasonable efforts to cause other Building tenants to comply with them. Landlord will notify City of any waiver of or special dispensation under the Rules and Regulations granted by Landlord to any other tenant in the Building and on request, City will be entitled to the same waiver or special dispensation.

5.3 Interference with Access

Landlord will provide to City uninterrupted access to the Building and the Premises twenty-four (24) hours per day, seven (7) days per week, including during any power outages affecting the Premises or any portion of the Building; but Landlord may, after consultation with City’s Administrator, interrupt City’s access to the Premises or the Building if there is an immediate threat that will render the Premises, the Common Areas, or any other portion of the Building unsafe for human occupancy. If City’s use of any of the Premises or access to the Premises is interrupted because the Premises, the Common Areas, or any other portion of the Building is unsafe for human occupancy due to Landlord’s failure to comply with its obligations under this Lease or for any other reason other than an Event of Default, then Landlord will immediately undertake all necessary steps to correct the condition. If the condition continues for two (2) business days and impairs City’s ability to carry on its business in the Premises, then the Rent will be abated based on the extent to which the condition interferes with City’s ability to normally and safely carry on its business at the Premises. If the condition continues for thirty (30) days or more after City’s use is interrupted or impaired then, without limiting any of its other rights under this Lease, City may terminate this Lease, unless Landlord supplies City with evidence reasonably satisfactory to City that City’s normal and safe use will be restored within sixty (60) days after the date City’s use was interrupted or impaired, and City’s full use is actually restored within that sixty (60)-day period.

Nothing in this Section will limit City's rights with respect to any disruption due to casualty under Section 12 (Damage and Destruction).

6. LEASEHOLD IMPROVEMENTS

6.1 Intentionally Omitted

6.2 Construction of Leasehold Improvements

Landlord will perform all work related to obtaining HCAI approval for a change of use from an acute care hospital (I-2 Occupancy) to an outpatient use (B occupancy) referred to as the "**Leasehold Improvements**." City to reimburse Landlord for actual paid invoices for the cost of the work, not to exceed \$300,000. In the event the cost of the Leasehold Improvements is anticipated to exceed this not-to-exceed amount, the parties shall meet in good faith to review the scope of work and discuss potential adjustments to the allowance or project scope.

6.3 Installation of Telecommunications and Other Equipment

City is responsible for AT&T fiber and IT related equipment installation as provided in the Scope of Work attached as **Exhibit G** (the "**Scope of Work**"). Landlord will furnish access to City and its consultants and contractors to the main communications service serving the floor(s) on which the Premises are located and all other parts of the Building where access is needed for proper installation of the facilities and equipment including wiring. City will have the right to enter the Premises and the other portions of the Building at reasonable times in order to install the facilities and equipment. City and Landlord will use their good faith efforts to coordinate any all activities to allow the installation of the facilities and equipment to be completed in a timely and cost-effective manner.

6.4 Signage

Landlord will provide signage as provided in the scope of work attached as **Exhibit H** (the "**Signage Scope of Work**"). All work and installations performed under the Signage Scope of Work are referred to as the "**Leasehold Improvement Work**" and the "**Leasehold Improvements**".

Landlord will provide an invoice to the City upon completion of the Leasehold Improvement Work not to exceed \$1,600.00.

7. ALTERATIONS

7.1 Alterations by City

City may not make or permit any alterations, installations, additions, or improvements (collectively, "**Alterations**") to the Premises without first obtaining Landlord's written consent, which Landlord will not unreasonably withhold, condition, or delay. Any Alterations permitted under this Lease will be made at City's cost in compliance with applicable Laws (as defined in Section 10.1 (Landlord's Compliance with Laws)), and work to be performed by the Landlord.

7.2 Title to Improvements

Except for City's Personal Property (as defined in the next Section) and the Leasehold Improvements, all appurtenances, fixtures, improvements, equipment, additions, and other property permanently installed in the Premises as of the Commencement Date or during the Term will be and will remain Landlord's property. City may not remove Landlord's property without

Landlord's written approval. Landlord and City will mutually agree on what existing furniture, fixtures, and equipment (FF&E) will remain for City use and what unnecessary FF&E shall be removed.

7.3 City's Personal Property

(a) All furniture, furnishings, equipment, trade fixtures, and articles of movable personal property installed in the Premises by City and that can be removed without structural damage to the Premises (collectively, "**City's Personal Property**") are and will remain City's property. If City requests, Landlord may assist City by ordering and installing City's Personal Property and City will reimburse Landlord for all fees, costs, and expenses approved by City in advance within thirty (30) days after receipt of an invoice; provided, however, that City may elect to provide any deposit or other expense required at the time of ordering City's Personal Property. To the extent possible, any maintenance contract or warranty in connection with the purchase or lease of tangible personal property will be optional (namely, City may, but is not required to, purchase a maintenance contract or warranty). To the extent feasible, Landlord and any vendors of Landlord will separately itemize any shipping charges. Although Landlord may order and install City's Personal Property, all items will remain City's Personal Property and not be considered Leasehold Improvements or constitute any component of the Leasehold Improvements. With regard to any personal property purchased by Landlord on behalf of City or leased by City under this Lease, (a) Landlord represents that it is fully compliant with the California Sales and Use Tax Law and warrants to City that Landlord that it will fulfill its use tax obligations under that law with respect to the subject transaction; (b) Landlord will accept a Use Tax Direct Payment Exemption Certificate in lieu of any use tax payment if the City, in its sole discretion, elects to provide such Certificate to Landlord; (c) If the City pays use tax to Landlord, Landlord will remit the entire amount of the use tax payment to the state and provide the City with a receipt in accordance with the California Sales and Use Tax Law; and (d) Landlord will be liable to the City for all amounts of use tax paid to Landlord that Landlord fails to remit to the State. This obligations of Landlord under the foregoing sentence will survive and termination or expiration of the Lease.

(b) At any time during the Term, City may remove any of City's Personal Property, and City will repair any damage to the Premises resulting from that removal. On the expiration or earlier termination of this Lease, City will remove City's Personal Property from the Premises in accordance with Section 20 (Surrender of Premises). Landlord acknowledges that some of City's Personal Property may be financed by an equipment lease financing otherwise subjected to a security interest, or owned by an equipment company and leased to City ("**Secured Personal Property**"). Landlord recognizes the rights of any supplier, lessor, or lender who has an interest in any items of Secured Personal Property to enter the Premises and remove that Secured Personal Property at any time during the Term or within thirty (30) days after the Expiration Date. On City's reasonable request, Landlord will execute and deliver any document required by any supplier, lessor, or lender in connection with the installation of any items of Secured Personal Property in the Premises, under which Landlord waives any rights it may have or acquire with respect to the Secured Personal Property, so long as the supplier, equipment supplier, lessor, or lender agrees that it (i) will remove the Secured Personal Property from the Premises within thirty (30) days after the Expiration Date (and if it does not remove the Secured Personal Property within that time the equipment supplier, lessor, or lender will have waived any rights it may have had to the Secured Personal Property), and (ii) will repair any damage caused by the removal of the Secured Personal Property.

7.4 Alteration by Landlord

Landlord will use its best efforts to minimize interference with or disruption to City's use and occupancy of the Premises during any alterations, installations, additions, or improvements to the Building, including any leasehold improvement work for other tenants in the Building. Landlord will promptly remedy any interference or disruption on receiving City's notice thereof.

8. REPAIRS AND MAINTENANCE

8.1 Building Repairs

At its cost, Landlord will repair and maintain the exterior and structural portions of the Building in first-class condition, including, the roof, foundation, bearing and exterior walls, windows, doors, door frames, demising walls, and subflooring, and the heating, ventilating, air conditioning, plumbing, electrical, fire protection, life safety, security, and other mechanical, electrical, and communications systems of the Building (collectively, the "**Building Systems**") and the Common Areas. Without limiting the foregoing, Landlord will maintain the Building in a clean, safe, and attractive manner, will provide exterior graffiti removal with reasonable frequency, and will not permit any other tenants of the Building to disturb or interfere with City's use of the Premises or permit to be done in or about the Building or the Common Areas anything that is illegal, is dangerous to persons or property, or constitutes a nuisance.

8.2 Interior Repairs

Landlord will repair and maintain the interior portions of the Premises and in prompt response to maintenance request submitted by City will keep the Premises in good working order and in a safe and sanitary condition, except for ordinary wear and tear and damage by casualty or condemnation. Landlord will make any required repairs and replacements to the interior of the Premises that City specifies in writing **(a)** at City's 's cost, **(b)** so that the interior portions of the Premises will be at least substantially equal in quality, value, and utility to the original work or installation before the damage, **(c)** in a manner and using equipment and materials that will not materially interfere with or impair the operations, use, or occupation of the Building or the Building Systems, and **(d)** in compliance with all applicable Laws, including any applicable contracting requirements under City's Charter and Administrative Code. At all times during the Term, promptly after City's reasonable notice, Landlord will provide City and its Agents with access to those portions of the Building that are necessary to maintain or repair the telecommunications and data and computer cabling facilities and equipment installed by City.

8.3 Liens

City will keep the Premises free from liens arising out of any work performed, material furnished, or obligations incurred by City during the Term. Landlord may post on the Premises any notices permitted or required by Laws or that are needed for the protection of Landlord, the Premises, or the Building, from mechanics' and material suppliers' liens. City will give Landlord at least ten (10) days' prior written notice of commencement of any repair or construction by City on the Premises.

9. UTILITIES AND SERVICES

9.1 Landlord's Provision of Utilities

City shall reimburse Landlord for utilities monthly at a fixed rate of \$10,780.00, increased by three percent (3%) annually, through the duration of this Lease, which shall include electricity, water, sewer and natural gas if applicable. Additionally, City shall pay Landlord \$300 per year

per wireless access point for Cisco Wireless AP rental, with approximately 13 access points to be installed. Landlord will invoice City at fixed monthly rate of \$325 for 13 wireless access points together with the monthly Base Rent, Utilities, and Common Area Maintenance Expenses.

9.2 Landlord's Provision of Building Common Area Maintenance Expenses:

City shall pay its percentage share of Building Common Area Maintenance Expenses ("CAM") at the current monthly rate of \$8,636.36 for the first year. Annual increases shall be no more than 3% annually, based on actual Building expenses. CAM shall be calculated on a grossed-up basis as if the building were 100% occupied.

9.3 Services

(a) Janitorial Service

At its cost, City will provide janitorial service. Landlord shall allow staff access to hospital's waste, recycling, and compost facilities.

(b) Security Service

Landlord will provide security for the Building. Security service expenses are included in the rent for operating costs. Landlord will provide badge access for City to all suites and rooms in the Premises. Landlord will provide employee badges at no cost initially, with a \$25 per badge charge for any lost or replacement badges. Landlord security personnel will promptly respond to City's emergency calls. City will promptly notify Landlord to deactivate badge access/return badges ensuring the security of the Premises.

9.4 Conservation

Landlord may establish reasonable measures to conserve energy and water, including automatic light shut off after hours and efficient lighting forms, so long as these measures do not unreasonably interfere with City's use of the Premises.

9.5 Disruption in Essential Utilities or Services

If any failure, stoppage, or interruption of any utilities or services to be furnished by Landlord occurs, Landlord will immediately notify City of the failure, stoppage, or interruption; diligently attempt to restore service as promptly as possible; and keep City apprised of its efforts. If Landlord is unable to supply any of the Building's sanitary, electrical, heating, air conditioning, water, elevator, fire protection and security, audio, video or electronic communications, hazard detection and alarm, or other essential services serving the Premises (collectively, "**Essential Services**") and that inability of Landlord impairs City's ability to carry on its business in the Premises for **(a) one (1)** or more business days and it is in Landlord's reasonable control to restore the Essential Services or **(b) five (5)** or more consecutive business days if the failure is not within Landlord's reasonable control, then the Rent will be abated based on the extent that the lack of the Essential Services impairs City's ability to normally carry on its business in the Premises, or, alternatively at City's election, City may provide the Essential Services and offset the reasonable cost against the Rent next due under this Lease. The abatement or right to provide the Essential Services and offset against Rent will continue until the Essential Services have been restored so that the lack of any remaining Essential Services no longer materially impairs City's ability to carry on its business in the Premises. Landlord will use its best efforts to restore disrupted Essential Services as soon as possible. If the failure to provide any Essential Services occurs for any reason for fifteen (15) days or more in any sixty (60)-day period and that failure interferes with City's ability to normally carry on its business in the Premises, then, without limiting any of its other

rights or remedies under this Lease or at law or in equity, City may terminate this Lease on written notice to Landlord, unless Landlord supplies City with evidence reasonably satisfactory to City that the Essential Services will be reliably restored within sixty (60) days after the date City's use was first interrupted, and the Essential Services are actually restored and reliable within the sixty (60)-day period. City will not be entitled to any abatement of Rent or right to terminate if Landlord's inability to supply Essential Services to City results solely to the negligent acts or omissions of City and its Agents.

10. COMPLIANCE WITH LAWS; PREMISES CONDITION

10.1 Landlord's Compliance with Laws; Premises Condition; Indemnity

Subject to City's obligation under Section 8.2 (City's Repairs), Landlord will at all times during the Term maintain, at its cost, the Property, Building, Common Areas, and the Building Systems in compliance with applicable present or future federal, state, local, and administrative laws, rules, regulations, orders, and requirements (collectively, "**Laws**"). Landlord represents and warrants to City, and covenants with City, as follows to the best of Landlord's knowledge: **(a)** the physical structure, fixtures, and permanent improvements of the Premises (including the Leasehold Improvements) and all portions of the Property and the Building along the path of travel to the Premises (including the Building entrances, Common Areas, restrooms, elevators, lobbies, telephone banks, and drinking fountains) are now, and as of the Commencement Date will be, in compliance with the requirements of the Americans With Disabilities Act of 1990, California Code of Regulations Title 24, and all other applicable Laws intended to provide equal accessibility for persons with disabilities (collectively, "**Disabilities Laws**"); **(b)** the Building is not an unreinforced masonry building, and is now, and as of the Commencement Date will be, in compliance with all applicable Laws relating to seismic safety (collectively, "**Seismic Safety Laws**"); **(c)** the Building, the Common Areas, and Building Systems serving the Premises are now, and as of the Commencement Date will be, in full compliance with all applicable Laws relating to fire and life safety (including the San Francisco High-Rise Sprinkler Ordinance) (collectively, "**Life Safety Laws**"); **(d)** the Building, the Common Areas, and Building Systems serving the Premises are now, and as of the Commencement Date will be, in compliance with all other applicable Laws; and **(e)** there are not now, and as of the Commencement Date will not be, any material physical or mechanical defects in the Premises, Building, or the Building Systems that would materially adversely affect City's intended use of the Premises. Without limiting Section 16.2 (Landlord's Indemnity), Landlord will Indemnify City against any and all Claims (defined in Section 16.1 (City's Indemnity) below) arising out of **(i)** any failure of the Property, Building, Common Areas, Building Systems (or any portion of any of them) to comply with applicable Laws; or **(ii)** any misrepresentation by Landlord under this Section.

10.2 City's Compliance with Laws; Indemnity

City will use the Premises during the Term in compliance with applicable Laws, except that City will not be required to make any structural alterations, additions, or other modifications in order to comply with applicable Laws unless the modifications are necessary solely because of any Alterations to the Premises made by City under Section 7 (Alterations) and the modifications are not otherwise Landlord's responsibility under this Lease. City will be responsible for complying with any requirement of the Disabilities Laws relating to the placement of City's furniture or other City Personal Property and the operation of any programs in the Premises, other than any requirement relating to the physical structure, fixtures, and permanent improvements of the Premises or portions of the Property or Building along the path of travel to the Premises, which are Landlord's obligation as provided in Section 10.1 (Premises Condition). Without limiting Section 16.1 (City's Indemnity), City will Indemnify Landlord against any and all Claims arising out of City's failure to comply with all applicable Laws as provided in this Section.

10.3 City's Compliance with Insurance Requirements

City will not conduct any use in or about the Premises that would: **(a)** invalidate or be in conflict with any fire or other casualty insurance policies covering the Building or any property located in the Building, **(b)** result in a refusal by casualty insurance companies of good standing to insure the Building or property in the Building in amounts reasonably satisfactory to Landlord or the holder of any mortgage or deed of trust encumbering the Building, **(c)** cause an increase in the casualty insurance premium for the Building unless City agrees to pay the increase, or **(d)** subject Landlord to any liability or responsibility for injury to any person or property solely because of the business operation conducted by City in the Premises; provided, however, Landlord will provide City with reasonable prior written notice of any applicable insurance requirements and no insurance requirements will materially and adversely interfere with City's normal business in the Premises.

11. SUBORDINATION

(a) Subject to subsection (b) below, this Lease is subject and subordinate at all times to the following (each an "**Encumbrance**"): **(i)** any reciprocal easement agreements, ground leases, or other underlying leases that may later be executed affecting Landlord's interest in the Property (or any portion of it), and **(ii)** the lien of any mortgages or deeds of trust and renewals, modifications, consolidations, replacements, and extensions of any of the foregoing that may be executed by Landlord at any time in any amount for which any part of the Property, any ground lease, or underlying lease, or Landlord's interest or estate in them is subject. But, if the ground lessor, mortgagee, trustee, or holder of any mortgage or deed of trust (each an "**Encumbrancer**") elects to have City's interest in this Lease be superior to its Encumbrance, then, on City's receipt of a notice from the Encumbrancer, this Lease will be deemed superior, whether this Lease was executed before or after the date of the Encumbrance or the date of its recording. The provisions of this subsection (a) are self-operative and no further instrument will be required. At Landlord's request, however, City will enter into a subordination, nondisturbance, and attornment agreement ("**SNDA**") with Encumbrancer in a form reasonably acceptable to City and Encumbrancer evidencing the subordination or superiority of this Lease. City's covenant under this subsection (a) to subordinate this Lease to any Encumbrance is conditioned on each senior instrument containing the commitments in subsection (b) below.

(b) If any mortgage or deed of trust to which this Lease is subordinate is foreclosed or a deed in lieu of foreclosure is given to the mortgagee or beneficiary, or if any ground lease or underlying lease to which this Lease is subordinate is terminated, then this Lease will not be barred, terminated, cut off, or foreclosed and the rights and possession of City under this Lease will not be disturbed unless an Event of Default has occurred and is continuing. City will attorn to and become the tenant of the successor-in-interest to Landlord, provided that City has received proper written notice of the succession and the name and address of the successor landlord. The provisions of this Section 11(b) are self-operative and no further instrument will be required. Landlord agrees, however, upon request by City and in a form reasonably acceptable to City to cause any Encumbrancer to execute an SNDA evidencing the foregoing non-disturbance provisions together with the priority or subordination of this Lease with respect to any such Encumbrance.

12. DAMAGE AND DESTRUCTION

(a) If the Premises, the Building, or any Building Systems are damaged by fire or other casualty, Landlord will repair the same without delay (and if Landlord is then carrying insurance on the Leasehold Improvements or if, at its sole option, City makes sufficient funds available to Landlord, Landlord will also repair the Leasehold

Improvements) so long as the repairs can be made under applicable Laws within sixty (60) days after Landlord obtains all necessary permits but not later than two hundred ten (210) days after the date of the damage (the “**Repair Period**”). If Landlord is obligated to repair as provided above, then this Lease will remain in full force and effect, except that City will be entitled to an abatement of Rent until the Premises are restored to their condition before the casualty. The abatement in Rent will be based on the extent to which the damage, the making of the repairs, and reoccupying the repaired Premises interferes with City’s use of the Premises. Landlord’s repairs will not include, and the Rent will not be abated as a result of, any damage by fire or other cause to City’s Personal Property or any damage caused by the negligence or willful misconduct of City or its Agents that is not covered by insurance.

(b) Within twenty (20) days after the date of the damage, Landlord will notify City whether, in Landlord’s reasonable judgment made in good faith, the repairs can be made within the Repair Period. If the repairs cannot be made within the Repair Period, then either party may terminate this Lease by giving written notice to the other given within thirty (30) days after the date of Landlord’s notice. The termination date will be the date specified in the termination notice, which date may be not less than thirty (30) or more than sixty (60) days after Landlord’s notice. If either party elects to terminate this Lease, then the Rent will be reduced by a proportionate amount based on the extent to which the damage interferes with the normal conduct of City’s business in the Premises, and City will pay the reduced Rent up to the date of termination. Landlord will refund to City any Rent previously paid for any period after the date of termination.

(c) Notwithstanding the foregoing, if the Premises are damaged or destroyed by flood or earthquake, and the damage or destruction is not fully covered by insurance proceeds payable under the insurance policies Landlord is required to carry under this Lease (excluding any deductible, for which Landlord is solely responsible), then Landlord may terminate this Lease by written notice to City within thirty (30) days after the date Landlord receives written notice that the damage is not covered by insurance. Landlord’s termination notice must include adequate written evidence of the denial of insurance coverage. If Landlord does not elect to terminate this Lease, then subsections (a) and (b) will apply.

(d) If during the last six (6) months of the Term there is substantial damage that Landlord would be required to repair under this Section, then within thirty (30) days after the date of the damage Landlord or City may, each at its option, terminate this Lease as of the date the damage occurred by giving written notice to the other party of its election to do so; provided, however, Landlord may terminate this Lease only if it would take more than thirty (30) days to repair the damage.

(e) The parties intend that the provisions of this Section fully govern their rights and obligations in the event of damage or destruction. Accordingly, Landlord and City each waives and releases any right to terminate this Lease in whole or in part under Section 1932, subdivision 2, Section 1933, subdivision 4, and Sections 1941 and 1942 of the Civil Code of California or under any similar Law now or later in effect, to the extent those rights are inconsistent with the provisions of this Section.

13. EMINENT DOMAIN

13.1 Definitions

“**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.

“**Date of Taking**” means the earlier of **(a)** the date on which title to the portion of the Property taken passes to and vests in the condemnor or **(b)** the date on which City is dispossessed.

“**Award**” means all compensation, sums, or anything of value paid, awarded or received for a Taking, whether under any judgment, agreement, settlement, or otherwise.

13.2 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 the Building or any interest in this Lease, the rights and obligations of the parties will be determined under this Section. City and Landlord intend that the provisions of this Section govern fully in the event of a Taking and accordingly, Landlord and City each waives 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 later in effect.

13.3 Total Taking; Automatic Termination

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

13.4 Partial Taking; Election to Terminate

(a) If there is a Taking of any portion (but less than all) of the Premises, then this Lease will terminate in its entirety if all of the following exist: **(i)** the partial Taking, in City’s reasonable judgment, renders the remaining portion of the Premises untenable or unsuitable for continued use by City for its intended purposes or otherwise materially adversely affects City’s normal operations in the Premises or access to the Premises, **(ii)** the condition rendering the Premises untenable or unsuitable or that materially adversely affects City’s normal operations or limits access to the Premises either is not curable or is curable but Landlord is unwilling or unable to cure the condition, and **(iii)** City elects to terminate

(b) If a partial Taking of a substantial portion of the Building occurs, a but subsection (a) above does not apply, then within thirty (30) days after the Date of Taking either City or Landlord may terminate this Lease by written notice to the other, provided that, as a condition to City’s right to terminate, the portion of the Building taken must, in City’s reasonable judgment, render the Premises unsuitable for continued use by City for its intended purposes or otherwise materially adversely affect City’s normal operations in the Premises or access to the Premises.

(c) If either party elects to terminate this Lease under this Section, then this Lease will terminate on the later of the thirtieth (30th) day after the written notice is given or the Date of Taking.

13.5 Termination of Lease; Rent and Award

On termination of this Lease in its entirety under Section 13.3 (Total Taking; Automatic Termination) or under Section 13.4 (Partial Taking; Continuation of Lease), then: **(a)** City’s obligation to pay Rent will continue up until the date of termination and then will cease, and **(b)** Landlord will be entitled to the entire Award, except that City will receive any portion of the Award for the unamortized cost of any Leasehold Improvements paid for by City and any Award

made specifically for City's relocation expenses or the interruption of or damage to City's business or damage to City's Personal Property.

13.6 Partial Taking; Continuation of Lease

If there is a partial Taking of the Premises and this Lease is not terminated in its entirety under Section 13.4 (Partial Taking; Continuation of Lease) above, then this Lease will terminate as to the portion of the Premises taken, but will remain in effect as to the portion not taken, and the rights and obligations of the parties will be as follows: **(a)** Rent will be equitably reduced depending on the configuration of the Premises and the portion taken (for instance, if the area of the Premises taken has no special or significant use, then the reduction may be by an amount that is in the same ratio to the Rent as the area of the Premises taken bears to the area of the Premises before the Date of Taking), and **(b)** Landlord will be entitled to the entire Award in connection therewith, provided that City will receive any portion of the Award for the unamortized cost of any Leasehold Improvements paid for by City in the portion of the Premises taken and any Award made specifically for City's relocation expenses or the interruption of or damage to City's business or damage to City's Personal Property.

13.7 Temporary Taking

Notwithstanding anything to contrary in this Section, if a Taking of the Premises occurs for sixty (60) consecutive days or fewer, this Lease will remain unaffected by the temporary Taking, and City will continue to pay Rent and to perform all of the terms, conditions, and covenants of this Lease. In the event of a temporary Taking, City will 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 City and any out-of-pocket costs incurred by City due to the temporary Taking for the period of the Taking.

14. ASSIGNMENT AND SUBLETTING

City may not directly or indirectly sell, assign, encumber, pledge, or otherwise transfer or hypothecate all or any part of its interest in or rights with respect to the Premises or its leasehold estate created by this Lease or permit all or any portion of the Premises to be occupied by anyone other than itself or sublet all or any portion of the Premises..

15. DEFAULT; REMEDIES

15.1 Events of Default by City

Any of the following will constitute an "**Event of Default**" by City:

(a) After Landlord is qualified as an approved vendor as provided in Section 4.16 (Payments by City) above, City fails to make any timely payment of Rent and to cure the nonpayment within five (5) business days after receipt of written notice of nonpayment from Landlord, provided that for the first two (2) monthly payments of Rent at the beginning of the Term and for the first monthly payment of Rent after the beginning of each new fiscal year for City or any Adjustment Date, City will have twenty (20) days after written notice from Landlord to cure any nonpayment.

(b) City's abandons the Premises (within the meaning and under the requirements of California Civil Code Section 1951.3).

(c) City's failure to perform any other of its covenants or obligations under this Lease (not involving the payment of money) and failure to cure the non-performance

within thirty (30) days of the date of receipt of Landlord’s notice of the failure, provided that if more than thirty (30) days are reasonably required for the cure, no Event of Default will occur if City commences the cure within the thirty (30)-day period and diligently prosecutes the cure to completion.

15.2 Landlord’s Remedies

On the occurrence and during the continuance of any Event of Default by City, Landlord will have all rights and remedies available under law or granted pursuant to this Lease, including the following:

(a) The rights and remedies provided by California Civil Code Section 1951.2 (damages on termination for breach), including the right to terminate City’s right to possession of the Premises and to recover the worth at the time of award of the amount by which the unpaid Rent for the balance of the Term after the time of award exceeds the amount of rental loss for the same period that City proves could be reasonably avoided, as computed under subsection (b) of Section 1951.2.

(b) The rights and remedies provided by California Civil Code Section 1951.4 (continuation of lease after breach and abandonment), which allows Landlord to continue this Lease in effect and to enforce all of its rights and remedies under this Lease, including the right to recover Rent as it becomes due, for so long as Landlord does not terminate City’s right to possession, if City has the right to sublet or assign, subject only to reasonable limitations.

15.3 Landlord’s Default

If Landlord fails to perform any of its obligations under this Lease, then (without limiting any of City’s other cure rights under this Lease), at its sole option, City may cure the default at Landlord’s expense if the default continues after ten (10) days after the date City gives notice to Landlord of City’s intention to perform the cure. However, if a default occurs because of a cause beyond Landlord’s control (excluding any financial inability to perform), and Landlord cannot with due diligence cure the default within the ten (10)-day period, then the ten (10)-day period will be extended if, promptly on receipt of City’s notice, Landlord advises City of Landlord’s intention to take all steps required to cure the default, and Landlord promptly commences the cure and diligently prosecutes the cure to completion. But if any default by Landlord continues for sixty (60) days and impairs City’s ability to carry on its normal business in the Premises, then City may terminate this Lease on written notice to Landlord within thirty (30) days after the expiration of the sixty (60)-day period. Subject to the other provisions of this Lease relating to abatement of Rent, if Landlord fails to cure any default within the ten (10)-day cure period provided above (as it may be extended as provided above), then, whether or not City elects to cure Landlord’s default, the Rent will be abated based on the extent to which the default interferes with City’s ability to carry on its normal business at the Premises. City’s rights under this Section and under any other provisions of this Lease will not limit in any way any of its other rights and remedies under this Lease or at law or in equity.

16. INDEMNITIES

16.1 City’s Indemnity

City will indemnify, defend, and hold harmless (“**Indemnify**”) Landlord and its Agents from and against any and all claims, losses, damages, costs, and expenses, including reasonable attorneys’ fees (collectively, “**Claims**”), incurred as a result of (a) City’s use of the Premises, or

(b) any negligent acts or omissions of City or its Agents in, on, or about the Premises or the Property; provided, however, City will not be obligated to Indemnify Landlord or its Agents to the extent any Claim arises out of the negligence or willful misconduct of Landlord or its Agents. In any action or proceeding brought against Landlord or its Agents because of a Claim Indemnified by City under this Section, at its sole option, City may elect to defend the Claim by attorneys in City's Office of the City Attorney, by other attorneys selected by City, or both. City will have the right to control the defense and to determine the settlement or compromise of any action or proceeding, provided that Landlord will have the right, but not the obligation, to participate in the defense of the Claim at its sole cost. City's obligations under this Section will survive the termination of the Lease.

16.2 Landlord's Indemnity

Landlord will Indemnify City and its Agents against any and all Claims incurred as a result of **(a)** any default by Landlord in the performance of any of its obligations under this Lease or any breach of any representations or warranties made by Landlord under this Lease, or **(b)** any negligent acts or omissions of Landlord or its Agents in, on, or about the Premises or the Property; provided, however, Landlord will not be obligated to Indemnify City or its Agents to the extent any Claim arises out of the negligence or willful misconduct of City or its Agents. In any action or proceeding brought against City or its Agents because of a Claim Indemnified by Landlord under this Section, at its sole option, Landlord may elect to defend the Claim by attorneys selected by Landlord. Landlord will have the right to control the defense and to determine the settlement or compromise of any action or proceeding, provided that City will have the right, but not the obligation, to participate in the defense of any Claim at its sole cost. Landlord's obligations under this Section will survive the termination of this Lease.

17. INSURANCE

17.1 City's Self-Insurance

Landlord acknowledges that City maintains a program of self-insurance and City is not required to carry any insurance with respect to this Lease. City assumes the risk of damage to any of City's Personal Property, except for damage caused by Landlord or its Agents.

17.2 Intentionally Omitted

17.3 Intentionally Omitted

18. ACCESS BY LANDLORD

Landlord reserves for itself and any of its designated Agents the right to enter the Premises at all reasonable times and, except in cases of emergency (in which event Landlord will give any reasonable notice), after giving City at least twenty four (24) hours' advance written notice, to **(a)** inspect the Premises, **(b)** supply any service to be provided by Landlord under this Lease, **(c)** show the Premises to any prospective purchasers, mortgagees or, during the last six (6) months of the Term, tenants, **(d)** post notices of non-responsibility, and **(e)** alter, improve, or repair the Premises and any portion of the Building, and, for that purpose, Landlord may erect, use, and maintain necessary structures in and through the Premises where reasonably required by the work to be performed, provided that the entrance to the Premises may not be blocked. Landlord may not interfere with City's use of the Premises.

19. ESTOPPEL CERTIFICATES

From time to time during the Term, by not less than thirty (30) days’ prior written notice to the other party, either party may request the other party to execute, acknowledge, and deliver to the persons or entities designated by the other party 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, this the Lease is in full force and effect as modified and stating the modifications), **(c)** that there are no defaults under this Lease (or if so, specifying the same), and **(d)** the date to which Rent has been paid.

20. SURRENDER OF PREMISES

On the expiration or sooner termination of this Lease, City will surrender the Premises to Landlord in good order and condition, excepting reasonable use and wear and damage by fire or other casualty or condemnation. City and Landlord shall document condition of the premises on acceptance. At Surrender, City and Landlord shall meet and discuss the removal of any City improvements or alterations, as required by Landlord. Any repairs needed, less reasonable wear and tear, shall be done at City’s cost. Within ten (10) days after the Expiration Date, City will remove from the Premises all of City’s Personal Property, City’s telecommunications, data, and computer facilities and any Alterations City desires or is required to remove from the Premises under the provisions of Section 7.1 (Alterations by City). City will repair or pay the cost of repairing any damage to the Premises or the Building resulting from that removal. City will be required to demolish or remove from the Premises any of the Leasehold Improvements constructed under Section 6.2. City’s obligations under this Section will survive the expiration or earlier termination of this Lease.

21. HAZARDOUS MATERIALS

21.1 Definitions

As used in this Lease, the following terms are defined below:

“**Environmental Laws**” means any Law relating to industrial hygiene, environmental conditions, or Hazardous Material, whether now in effect or later adopted.

“**Hazardous Material**” means any material that, because of its quantity, concentration, or physical or chemical characteristics, is deemed by any federal, state, or local governmental authority to pose a present or potential hazard to human health or safety or to the environment. Hazardous Material includes any material or substance defined as a “hazardous substance,” or “pollutant” or “contaminant” under 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 under California Health & Safety Code Section 25316; any “hazardous waste” listed under California Health & Safety Code Section 25140; any asbestos and asbestos containing materials whether or not those materials are part of the structure of the Building or are naturally occurring substances on or about the Property; and petroleum, including crude oil or any fraction thereof, natural gas, or natural gas liquids.

“**Release**” when used with respect to Hazardous Material includes any actual or imminent spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing into or inside the Building, or in, on, under, or about the Property.

21.2 Landlord's Representations and Covenants

Landlord represents and warrants to City that the following statements are true and correct and will be true and correct as of the Commencement Date: **(a)** the Property is not in violation of any Environmental Laws; **(b)** the Property is not now, and has not been, used for the manufacture, use, storage, discharge, deposit, transportation, or disposal of any Hazardous Material, except for the use of Hazardous Material in limited quantities as are customarily used in offices, which limited use is and has been in compliance with Environmental Laws; **(c)** the Property does not consist of any landfill or contain any underground storage tanks; **(d)** the Building does not contain any asbestos-containing materials or have building materials that contain any other Hazardous Material, and the Premises or the common areas of the Building do not contain any lead-based paints; **(e)** there is and has been no Release of any Hazardous Material in the Building or in, on, under, or about the Property; and **(f)** the Property is not subject to any claim by any governmental regulatory agency or third party related to the Release of any Hazardous Material, and there is no inquiry by any governmental agency (including the California Department of Toxic Substances Control or the Regional Water Quality Control Board) with respect to the presence of Hazardous Material in the Building or in, on, under, or about the Property, or the migration of Hazardous Material from or to other real property. Subject to City's obligations under this Section below, Landlord will maintain the Property throughout the Term in compliance with all Environmental Laws that could affect the health, safety, and welfare of City's employees or City's use, occupancy, or enjoyment of the Premises for their intended purposes.

21.3 Landlord's Environmental Indemnity

Without limiting Landlord's Indemnity in Section 16.2 (Landlord's Indemnity), Landlord will Indemnify City and its Agents against any and all Claims arising during or after the Term **(a)** as a result of any breach of any of Landlord's representations, warranties, or covenants in the preceding Section, or **(b)** in connection with any presence or Release of Hazardous Material in the Building or on, under, or about the Property, unless City or its Agents caused the Release.

21.4 City's Covenants

Neither City nor its Agents will cause any Hazardous Material to be brought on, kept, used, stored, generated, or disposed of in, on or about the Premises or the Property, or transported to or from the Premises or the Property, in violation of any Environmental Laws.

21.5 City's Environmental Indemnity

If City breaches its obligations contained in the preceding Section 21.4 (City's Covenants), or if City or its Agents cause the Release of Hazardous Material from, in, on, or about the Premises or the Property, then City will Indemnify Landlord against any and all Claims arising during or after the Term as a result of the Release, except to the extent Landlord or its Agents is responsible for the Release. The foregoing Indemnity will not include any Claims resulting from the non-negligent aggravation by City, its Agents, or Invitees of physical conditions of the Premises, or other parts of the Property, existing before City's occupancy.

22. INTENTIONALLY OMITTED

23. CITY PROVISIONS

23.1 MacBride Principles - Northern Ireland

The provisions of San Francisco Administrative Code Section 12F are incorporated into this Lease by this reference and made part of this Lease. Landlord confirms that Landlord has read

and understood that 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.

23.2 Controller's Certification of Funds

The terms of this Lease are governed by and subject to the budgetary and fiscal provisions of City's Charter. Notwithstanding anything to the contrary contained in this Lease, there will be no obligation for the payment or expenditure of money by City under this Lease unless the Controller of the City and County of San Francisco first certifies, under Section 3.105 of City's Charter, that there is a valid appropriation from which the expenditure may be made and that unencumbered funds are available from the appropriation to pay the expenditure. Without limiting the foregoing, if in any fiscal year of City after the fiscal year in which the Term of this Lease commences, sufficient funds for the payment of Rent are not appropriated, then City may terminate this Lease, without penalty, liability, or expense of any kind to City, as of the last date on which sufficient funds are appropriated. City will use its reasonable efforts to give Landlord reasonable advance notice of the termination.

23.3 Prevailing Wages and Working Conditions

Any undefined, initially-capitalized term used in this Section has the meaning given to that term in San Francisco Administrative Code section 23.61. Landlord will require its Contractors and Subcontractors performing **(i)** labor in the construction of a "public work" as defined in California Labor Code Section 1720 et seq. (which includes certain construction, alteration, maintenance, demolition, installation, repair, carpet laying, or refuse hauling if paid for in whole or part out of public funds), or **(ii)** Covered Construction at the Premises to **(A)** pay workers performing the 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**"). Landlord will cooperate with City in any action or proceeding against a Contractor or Subcontractor that fails to comply with the Prevailing Wage Requirements.

Landlord will include, and require its Contractors and Subcontractors (regardless of tier) to include, the Prevailing Wage Requirements and the agreement to cooperate in City enforcement actions in any Construction Contract with specific reference to San Francisco Administrative Code Section 23.61. Each Construction Contract must 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. Landlord's failure to comply with its obligations under this Section will constitute a material breach of this Lease. A Contractor's or Subcontractor's failure to comply with this Section will enable City to seek the remedies specified in San Francisco Administrative Code Section 23.61 against the breaching party.

23.4 Non Discrimination in City Contracts and Benefits Ordinance

(a) Covenant Not to Discriminate

In the performance of this Lease, Landlord will not to discriminate against any employee of Landlord, any City employee working with Landlord, any applicant for employment with Landlord, or against any person seeking accommodations, advantages, facilities, privileges, services, or membership in all business, social, or other establishments or organizations on the

basis of the fact or perception of a person's race, color, creed, religion, national origin, ancestry, age, height, weight, sex, sexual orientation, gender identity, domestic partner status, marital status, disability or Acquired Immune Deficiency Syndrome or HIV status (AIDS/HIV status), or association with members of those protected classes, or in retaliation for opposition to discrimination against those classes.

(b) Subcontracts

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

(c) Non-Discrimination in Benefits

Landlord does not as of the date of this Lease, and will not during the Term, in any of its operations in San Francisco, on real property owned by City, or where the work is being performed for City or elsewhere within the United States, discriminate in the provision of bereavement leave, family medical leave, health benefits, membership or membership discounts, moving expenses, pension and retirement benefits, or travel benefits, as well as any benefits other than the benefits specified above, between employees with domestic partners and employees with spouses, and/or between the domestic partners and spouses of the employees, where the domestic partnership has been registered with a governmental entity under state or local law authorizing that registration, subject to the conditions set forth in San Francisco Administrative Code Section 12B.2(b).

(d) CMD Form

As a condition to this Lease, Landlord will 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 (the "CMD"). Landlord represents that before execution of the Lease: **(i)** Landlord executed and submitted to the CMD Form CMD-12B-101 with supporting documentation, and **(ii)** the CMD approved the form.

(e) Incorporation of Administrative Code Provisions by Reference

The provisions of San Francisco Administrative Code Chapters 12B and 12C relating to non-discrimination by parties contracting for the lease of property to City are incorporated into this Section by reference and made a part of this Lease as though fully set forth. Landlord will comply fully with and be bound by all of the provisions that apply to this Lease under Administrative Code Chapters 12B and 12C, including the remedies provided in those Chapters. Without limiting the foregoing, Landlord understands that under San Francisco Administrative Code Section 12B.2(h) a penalty of Fifty Dollars (\$50) for each person for each calendar day during which that person was discriminated against in violation of the provisions of this Lease may be assessed against Landlord and/or deducted from any payments due Landlord.

23.5 Intentionally Omitted

23.6 Resource-Efficient City Buildings

Landlord 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 City buildings. Landlord will comply with all applicable provisions of those code sections.

23.7 Sunshine Ordinance

In accordance with San Francisco Administrative Code Section 67.24(e), 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 that is covered by this Section will be made available to the public on request.

23.8 Conflicts of Interest

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

23.9 Notification of Prohibition on Contributions

By executing this Lease, Landlord acknowledges its obligations under Section 1.126 of the City's Campaign and Governmental Conduct Code, which prohibits any person who leases, or seeks to lease, to or from any department of the City any land or building from making any campaign contribution to **(a)** a City elected official if the lease must be approved by that official, **(b)** a candidate for that City elective office, or **(c)** a committee controlled by that elected official or a candidate for that office, at any time from the submission of a proposal for the lease until the later of either the termination of negotiations for the lease or twelve (12) months after the date the City approves the lease. Landlord acknowledges that the foregoing restriction applies only if the lease or a combination or series of leases or other contracts approved by the same individual or board in a fiscal year have a total anticipated or actual value of one hundred thousand dollars (\$100,000) or more. Landlord further acknowledges that **(i)** the prohibition on contributions applies to each prospective party to the lease; any person with an ownership interest of more than 10 percent (10%) in Landlord; any subcontractor listed in the lease; and any committee that is sponsored or controlled by Landlord; and **(ii)** within thirty (30) days of the submission of a proposal for the Lease, the City department with whom Landlord is leasing is obligated to submit to the Ethics Commission the parties to the lease and any subcontractor. Additionally, Landlord certifies that it has informed each such person of the limitation on contributions imposed by Section 1.126 by the time it submitted a proposal for the lease, and has provided the names of the persons required to be informed to the City department with whom it is leasing.

23.10 Preservative-Treated Wood Containing Arsenic

Landlord 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 Environment Code Section 1304. The term “preservative-treated wood containing arsenic” means wood treated with a preservative that contains arsenic, elemental arsenic, or an arsenic copper combination, including chromated copper arsenate preservative, ammoniac copper zinc arsenate preservative, or ammoniacal copper arsenate preservative. Landlord 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 Landlord from purchasing preservative-treated wood containing arsenic for saltwater immersion. The term “saltwater immersion” means a pressure-treated wood that is used for construction purposes or facilities that are partially or totally immersed in saltwater.

24. GENERALLY APPLICABLE PROVISIONS

24.1 Notices

Except as otherwise specifically provided in this Lease, any notice given under this Lease must be in writing and given by delivering the notice in person or by commercial courier, or by sending it by first-class mail, certified mail, return receipt requested, or Express Mail, return receipt requested, with postage prepaid, to: **(a)** City at City’s address set forth in the Basic Lease Information; or **(b)** Landlord at Landlord’s address set forth in the Basic Lease Information; or **(c)** any other address designated by as either Landlord or City as its new address for notices by notice given to the other in accordance with this Section. A properly addressed notice transmitted by one of the foregoing methods will be deemed received upon confirmed delivery, attempted delivery, or rejected delivery. For convenience of the parties, copies of notices may also be given by email to the email address number set forth in the Basic Lease Information or any other email address as may be provided from time to time, but, neither party may give official or binding notice by email.

24.2 No Implied Waiver

No failure by either party to insist on the strict performance of any obligation of the other party under this Lease or to exercise any right, power, or remedy after a breach of this Lease will constitute a waiver of any breach or of term, covenant, or condition. No acceptance of full or partial Rent by Landlord while City is in default will constitute a waiver of the default by Landlord. No express written waiver of any default or the performance of any provision if this Lease will affect any other default or performance, or cover any other period of time, other than the default, performance, or time specified in the express waiver. One or more written waivers of a default or the performance of any provision of this Lease will not be deemed to be a waiver of a subsequent default or performance. The consent of Landlord or City given in one instance under the terms of this Lease will not relieve the other party of any obligation to secure the consent to any other or future instance under the terms of the Lease.

24.3 Amendments

The terms and provisions of this Lease may only be changed, waived, discharged, or terminated by a written instrument signed by both parties. No waiver of any breach will affect or alter this Lease, and each and every term, covenant, and condition of this Lease will continue in full force and effect with respect to any other then-existing or subsequent breach. Whenever this Lease requires or permits City’s consent or approval, the Director of Property, or his or her designee, will be authorized to provide the consent or approval, except as otherwise provided by

applicable Law, including the Charter of the City and County of San Francisco. City's agreement to any amendments or modifications to this Lease (including the exhibits) may be made on 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), and **(e)** any other amendment or modification that materially increases City's liabilities or financial obligations under this Lease will also require the approval of City's Board of Supervisors.

24.4 Authority

Landlord represents and warrants to City that it is the sole owner of the Property and the execution and delivery of this Lease by Landlord does not violate any provision of any agreement or any applicable Laws. If Landlord is a corporation, limited liability company, or a partnership, each person executing this Lease on behalf of Landlord, by their signature, covenants and warrants that Landlord is a duly authorized and existing entity, that Landlord is qualified to do business in California, that Landlord has the full right and authority to enter into this Lease, and that each person signing on behalf of Landlord is authorized to do so. On City's request, Landlord will provide City with evidence reasonably satisfactory to City confirming these representations and warranties.

24.5 Parties and Their Agents; Approvals

If applicable, the word "**Landlord**" will include the plural as well as the singular. The term "**Agents**" when used with respect to either party includes the agents, employees, officers, and contractors of the party, and the term "**Invitees**" when used with respect to City will include the clients, customers, invitees, guests, licensees, assignees, or subtenants of City. All approvals, consents, or other determinations permitted or required by City under this Lease, including City's exercise of any option, must be made by or through City's Director of Property unless otherwise provided in this Lease, subject to any applicable limitations in City's Charter. If there is more than one entity that comprises Landlord, the obligations and liabilities under this Lease imposed on Landlord are joint and several.

24.6 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 will in no way define or limit the scope or intent of any provision of this Lease. Except as otherwise specifically provided in this Lease, wherever Landlord or City is required or requested to give its consent or approval to any matter or action by the other, the consent or approval will not be unreasonably withheld or delayed and the reasons for disapproval of consent will be stated in reasonable detail in writing. Provisions in this Lease relating to number of days will be calendar days, unless otherwise specified. If the last day of any period to give notice, reply to a notice, or to take any other action occurs on a Saturday, Sunday, or a bank or City holiday, then the last day for taking the action or giving or replying to the notice will be the next succeeding business day. The words "**include**" or "**including**" or similar words will not be construed to limit any general term, statement, or other matter in this Lease or any of its attached exhibits, whether or not language of non-limitation, such as "without limitation" or similar words, are used.

24.7 Successors and Assigns

Subject to the provisions of Section 14 (Assignment and Subletting), the terms, covenants, and conditions contained in this Lease will bind and inure to the benefit of Landlord and City and,

except as otherwise provided in this Lease, their personal representatives and successors and assigns. There are no third-party beneficiaries to this Lease.

24.8 Brokers

Neither party has had any contact or dealings or communications regarding leasing the Premises 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 of the Premises, except for the broker, if any, identified in the Basic Lease Information. That broker's commission is Landlord's sole responsibility under a separate written agreement between Landlord and the broker, and City has no liability for that commission. If any other broker or finder perfects a claim for a commission or finder's fee based on any contact, dealings, or communication, the party through whom the broker or finder makes his claim will be responsible for the commission or fee and will Indemnify the other party from any and all Claims incurred by the indemnified party. The provisions of this Section will survive any termination of this Lease.

24.9 Severability

If any provision of this Lease or its application to any person, entity, or circumstance is found to be invalid or unenforceable, the remainder of this Lease, or the application of the provision to persons, entities, or circumstances other than those as to which it is invalid or unenforceable, will not be affected by that finding, and each other provision of this Lease will be valid and be enforceable to the full 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.

24.10 Governing Law

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

24.11 Entire Agreement; Incorporation of Exhibits

The parties intend that this Lease (including all of the attached exhibits, which are made a part of this Lease by this reference) are the final expression of their agreement with respect to the lease of the Premises and may not be contradicted by evidence of any prior or contemporaneous written or oral agreements or understandings. The parties further intend that this Lease will constitute the complete and exclusive statement of its terms and that no extrinsic evidence whatsoever (including prior drafts and changes) may be introduced in any judicial, administrative, or other legal proceeding involving this Lease.

24.12 Holding Over

If City holds over in possession of the Premises after the expiration of the Term with Landlord's consent, that holding over will not be deemed to extend the Term or renew this Lease, and City's tenancy will continue as a month-to-month tenancy until the tenancy is terminated by either party by giving least thirty (30) days' prior written notice of termination. The month-to-month tenancy will be on all the terms and conditions of this Lease and at the monthly Base Rent

in effect during the last month of the Term or as Landlord and City may mutually agree in writing. If City holds over without Landlord's consent, the rent payable by City during the period of holding over will be one hundred three percent (103%) of the monthly Base Rent in effect during the last month of the Term of this Lease, and the tenancy will otherwise be on the terms and conditions contained in this Lease. If, as provided in Section 20 (Surrender of Premises) above, City fails to remove its furniture, furnishings, equipment, City's Personal Property and designated Alterations by the Expiration Date, then City's continued possession will be deemed a holding over, but Base Rent will not be payable for a ten (10)-day period so long as City complies with Section 20 (Surrender of Premises) no later than the last day of such ten (10)-day period; if City remains in possession of the Premises beyond that ten (10)-day period, then City's possession will be deemed a holding over and Base Rent will be payable for the entire hold over period (including the 10 days) as set forth in this Section 24.12.

24.13 Cumulative Remedies

All rights and remedies of either party set forth in this Lease are cumulative, except as otherwise specifically provided in this Lease.

24.14 Time of Essence

Time is of the essence for all provisions of this Lease.

24.15 Survival of Indemnities

Termination of this Lease will not affect the right of either party to enforce any indemnities and representations and warranties given or made to the other party, and it will not affect any provision of this Lease that expressly states it will survive termination. With respect to each of the indemnities contained in this Lease, the indemnitor has an immediate and independent obligation to defend the indemnitees from any claim that actually or potentially falls within the indemnity provision even if the claim is or may be groundless, fraudulent, or false, and the obligation to defend arises at the time the claim is tendered to the indemnitor by the indemnitee and continues at all times until resolved.

24.16 Signs

City may erect or post exterior signs on or about the Premises with Landlord's prior approval. Landlord reserves the right to review and approve the placement, design, and plan for before erecting or posting any sign, which review and approval will not be unreasonably withheld or delayed. Interior signs not visible from the exterior of the Premises are permitted as provided under Article 7 (Alterations).

24.17 Quiet Enjoyment and Title

Landlord covenants and represents that it has full right, power, and authority to grant the leasehold estate as provided in this Lease, and covenants that City, on paying the Rent and performing the covenants contained in this Lease, will peaceably and quietly have, hold, and enjoy the Premises and all related rights during the Term as against all persons or entities or on account of any action, inaction, or agreement of Landlord or its Agents. Without limiting the provisions of Section 16.2 (Landlord's Indemnity), Landlord will Indemnify City and its Agents against Claims arising out of any assertion that would interfere with City's right to quiet enjoyment as provided in this Section.

24.18 Bankruptcy

Landlord represents and warrants to City that Landlord has neither filed nor been the subject of any filing of a petition under the federal bankruptcy law or any federal or state insolvency laws or laws for composition of indebtedness or for the reorganization of debtors, and, to the best of Landlord's knowledge, no such filing is threatened. City's leasehold estate under this Lease includes all rights to receive and enjoy all services, facilities, and amenities of the Premises and the Building as provided in this Lease. If any of the services, facilities, or amenities are terminated, or materially limited or restricted because of any such case or proceeding, or for any other reason, City may **(a)** contract directly with any third-party provider of those services, facilities, or amenities, and **(b)** offset against the Rent all reasonable costs and expenses incurred by City in obtaining those services, facilities, or amenities.

24.19 Transfer of Landlord's Interest

Landlord may transfer its interest in the Property, the Building, or this Lease to any other financially responsible person or entity. If Landlord transfers its interest in the Property, the Building, or this Lease to another other financially responsible person or entity, then Landlord will be relieved of Landlord's obligations under this Lease accruing from and after the date of the transfer when **(a)** Landlord has provided notice to City of the name and address of Landlord's successor, **(b)** Landlord has provided City with supporting documentation reasonably acceptable to City demonstrating the transferee's financial ability to assume this obligations transferred to it by Landlord, **(c)** Landlord has transferred the Security Deposit to the transferee, and **(d)** Landlord has delivered to City an express written assumption by the transferee of all of Landlord's obligations under this Lease.

24.20 Non-Liability of City Officials, Employees, and Agents

Notwithstanding anything to the contrary in this Lease, no elected or appointed board, commission, member, officer, employee, or other Agent of City will be personally liable to Landlord, its successors, or its assigns for any City default or breach or for any amount that may become due to Landlord or its successors or assigns, or for any obligation of City under this Lease.

24.21 Counterparts

This Lease may be executed in two or more counterparts, each of which will be deemed an original, but all of which taken together will constitute one and the same instrument.

24.22 Effective Date

This Lease will become effective on the date (the "**Effective Date**") that **(a)** City's Mayor and Board of Supervisors, at their sole and absolute discretion, adopt a resolution approving this Lease in accordance with all applicable laws and **(b)** this Lease is duly executed by Landlord and City.

24.23 Intentionally Omitted

24.24 Intentionally Omitted

24.25 Intentionally Omitted

24.26 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 Landlord. No party will be considered the drafter of this Lease, and no presumption or rule that an ambiguity will be construed against the party drafting the clause will apply to the interpretation or enforcement of this Lease.

NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS LEASE, LANDLORD ACKNOWLEDGES THAT NO OFFICER OR EMPLOYEE OF CITY HAS AUTHORITY TO COMMIT CITY TO THIS LEASE UNLESS CITY'S BOARD OF SUPERVISORS HAS DULY ADOPTED A RESOLUTION APPROVING THIS LEASE AND AUTHORIZING CONSUMMATION OF THE TRANSACTION CONTEMPLATED BY THIS LEASE. THEREFORE, ANY OBLIGATIONS OR LIABILITIES OF CITY UNDER THIS LEASE ARE CONTINGENT ON ADOPTION OF THAT RESOLUTION, AND THIS LEASE WILL BE NULL AND VOID UNLESS CITY'S MAYOR AND BOARD OF SUPERVISORS APPROVE THIS LEASE, AT THEIR RESPECTIVE SOLE AND ABSOLUTE DISCRETION, AND IN ACCORDANCE WITH ALL APPLICABLE LAWS. APPROVAL OF THIS LEASE BY ANY DEPARTMENT, COMMISSION, OR AGENCY OF CITY WILL NOT BE DEEMED TO IMPLY THAT THE RESOLUTION WILL BE ADOPTED AND NO SUCH APPROVAL WILL CREATE ANY BINDING OBLIGATIONS ON CITY.

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

[Landlord also acknowledges that they have read and understood the City's statement urging companies doing business in Northern Ireland to move toward resolving employment inequities, encouraging compliance with the MacBride Principles, and urging San Francisco companies to do business with corporations that abide by the MacBride Principles.]

LANDLORD:

CHINESE HOSPITAL ASSOCIATION,
a California nonprofit corporation

Signed by:
By: Michael Chung 9/15/2025
4564910D12444A2...
Its: MICHAEL CHUNG
Chief Financial Officer

CITY:

CITY AND COUNTY OF SAN FRANCISCO,
a municipal corporation

Signed by:
By: Sarah R. Oerth 10/30/2025
336F9B4FE72748A...
SARAH R. OERTH
Director of Property

RECOMMENDED:

DocuSigned by:
Jenny Louie
40CEE25DD8B4464
JENNY LOUIE
Chief Operating Officer
San Francisco Department of Public Health

APPROVED AS TO FORM:

DAVID CHIU, City Attorney

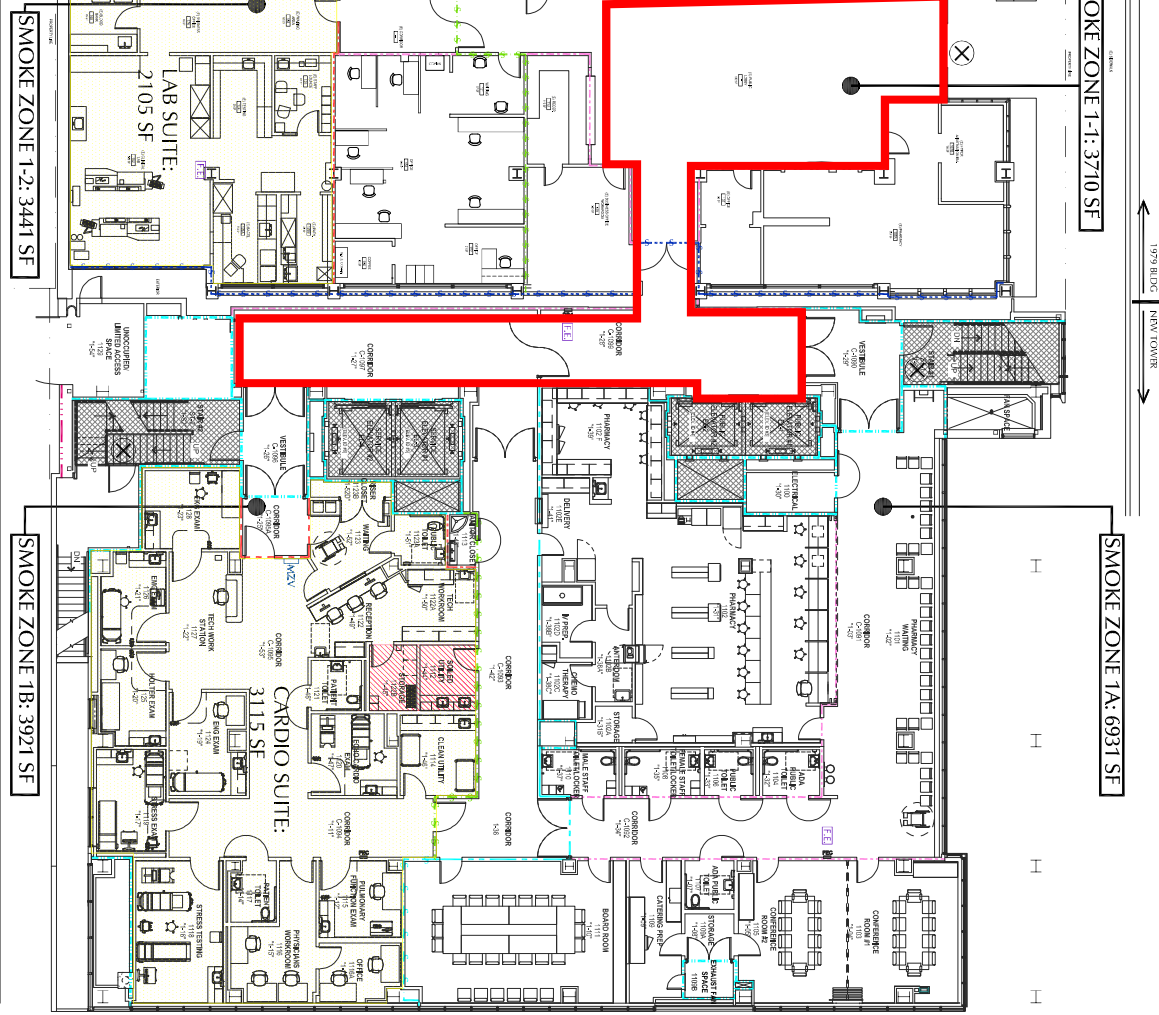
DocuSigned by:
By: Anna Gunderson
7444FF2B5E484F1...
ANNA PARLATO GUNDERSON
Deputy City Attorney

Legal Description of Property/ Floor Plan(s)

Consisting of 3 pages

1

FIRST FLOOR SOC PLAN



SCALE: 1/8" = 1'-0"



NORTH

- LEGEND**
- FIRE RATED EXH ENCLOSED SHAFT
 - SMOKE BARBER PER NFPA 101, 19.3.2.7
 - SMOKE BARBER AND 2-HR RATED FIRE BARBER PER NFPA 101 SECTION 19.3.2
 - 1-HR SMOKE SEPARATION PER NFPA 101 SECTION 8.3 AND SECTION 19.2.5.2.4
 - 2-HR CORRIDOR PARTITION PER NFPA 101, 19.3.6.2.1
 - 2-HR HAZARDOUS FIRE BARBER PER NFPA 101, 19.3.2.1
 - 2-HR RATED FIRE BARBER
 - 2-HR RATED VERTICAL SMOKE DOORS AND SMOKE BARBER WHERE OCCURS PER NFPA 101, 7.13.2.1 (I) AND 8.6.5
 - 2-HR RATED FIRE BARBER WITH 90 MIN. DOORS AND SMOKE BARBER PER NFPA 101 SECTION 8.3
 - 4-HR FIRE BARBER
 - HAZARDOUS AREA PER 2012 NFPA 101, 19.3.2.1
 - BUILDING EXIT
 - FIRE EXTINGUISHER
 - MEDICAL GAS ZONE SHUT-OFF VALVE
 - VACANT AREA
 - PENDING CONSTRUCTION
 - SUITE

- NOTES**
1. ENTIRE FLOOR IS 100% SPRINKLERED.
 2. ALL VERTICAL SHAFTS IN BUILDING ARE 2-HOUR RATED.
 3. OCCUPANCY GROUP: I-2
 4. BUILDING TYPE: I-1A
 5. DRAWINGS BASED ON 2012 IBC.

STATEMENT OF CONDITIONS

FIRST FLOOR SOC PLAN

Drawn: CN
 Checked: AN/TB
 Approved: A. SINNETT
 Date: 12/24/13

Sheet Number: 01

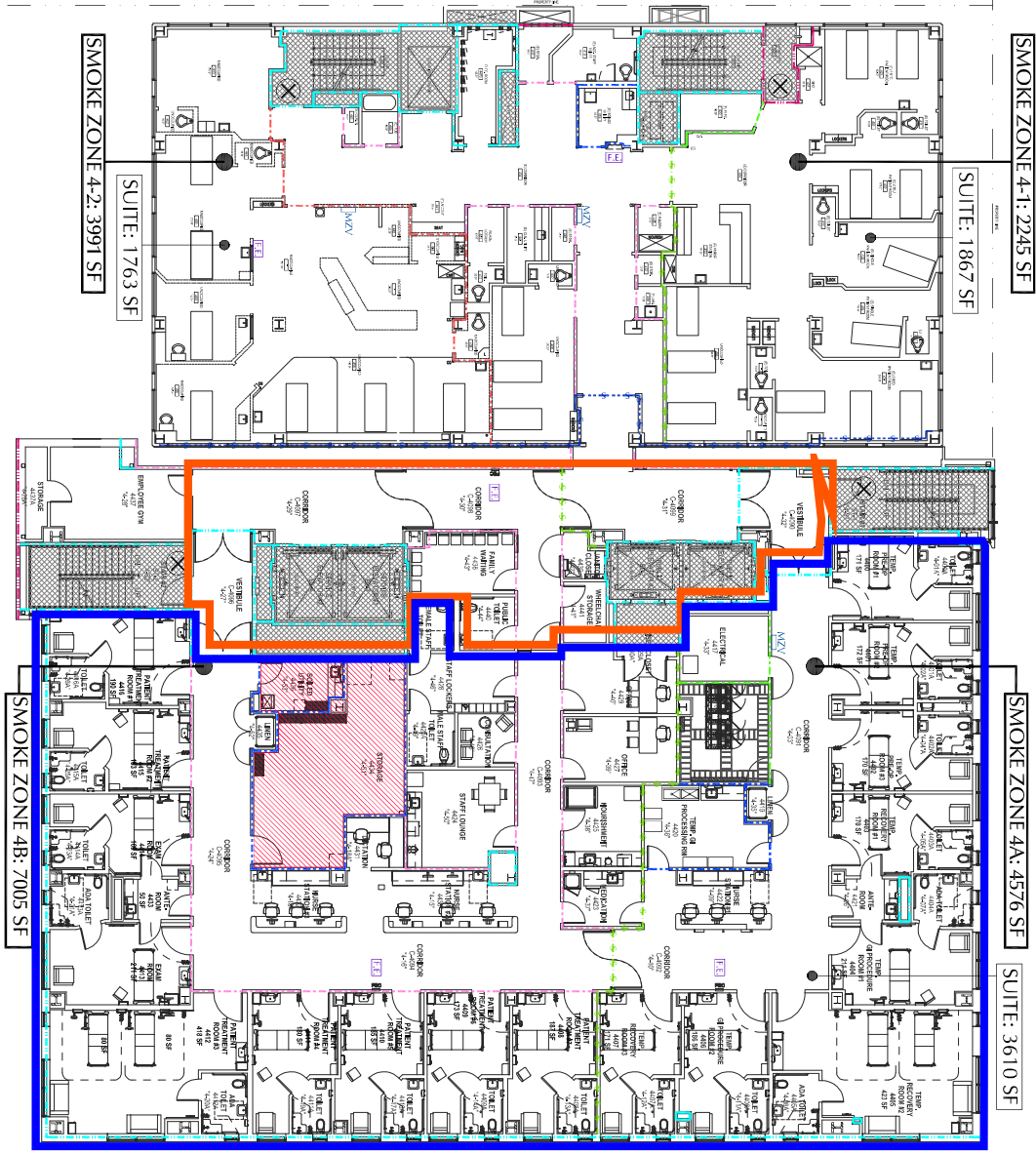
TSC Job No.: 5706



CHINESE HOSPITAL
 844 JACKSON STREET, SAN FRANCISCO, CA 94113
 415.392.2400

TSG
 THE STINNETT GROUP, LLP
 550 MONTGOMERY STREET
 SAN FRANCISCO, CA 94111
 PHONE: 415.398.6586
 FAX: 415.398.7960

1 FOURTH FLOOR SOC PLAN



1929 BLDG NEW TOWER

SCALE: 1/8" = 1'-0"



REQUIRE SAFETY LEGEND

- (E) 2-HR RATED EXH ENCLOSURE/SHAFT
- (E) SMOKE BARRIER PER NFPA 101, 19.3.2.7
- (E) 1-HR SUITE SEPARATION PER NFPA 101, 19.3.2.3 AND SECTION 516.5.2.4
- (E) 1-HR CORRIDOR PARTITION PER NFPA 101, 19.3.6.2.1
- (E) 1-HR HAZARDOUS FIRE BARRIER PER NFPA 101, 19.3.2.1
- (E) 1-HR RATED FIRE BARRIER PER NFPA 101, 19.3.2.1
- (E) 1-HR RATED VERTICAL SHAFT ENCLOSURE PER NFPA 101, 19.3.2.1
- (E) 2-HR RATED VERTICAL SHAFT ENCLOSURE WITH 2-HR BARRIER WHERE OCCURS PER NFPA 101, 7.1.3.2.1 (I) AND 8.6.5
- (E) 2-HR RATED FIRE BARRIER WITH 90-MIN. DOORS AND SMOKE BARRIER PER NFPA 101 SECTION 8.3
- (E) 4-HR FIRE BARRIER
- HAZARD AREA PER NFPA 702, NFPA 101, 19.3.2.11
- BUILDING EXIT
- FIRE EXTINGUISHER
- MEDICAL GAS ZONE SHUT-OFF VALVE
- VACANT AREA PENDING CONSTRUCTION
- SUITE

NOTES

1. ENTIRE FLOOR IS 100% SPRINKLERED.
2. ALL VERTICAL SHASTEN BUILDING ARE 2-HOUR RATED.
3. OCCUPANCY GROUP: I-2
4. BUILDING TYPE: I-2A
5. DRAWINGS BASED ON 2012 IFC.



CHINESE HOSPITAL
 645 JACKSON STREET, SAN FRANCISCO, CA 94111
 415.398.2400

01/08/24	UPDATED PLANS
11/08/19	UPDATED PLANS
08/07/19	UPDATED PLANS
06/15/18	UPDATED PLANS
10/18/17	UPDATED PLANS
05/04/17	BARBERS & SMOKE SF UPDATE
04/10/17	BARBERS & SMOKE SF UPDATE
07/27/16	SOC - AS OF MR2 COMPLETION

STATEMENT OF CONDITIONS

FOURTH FLOOR SOC PLAN

Drawn: CN
 Checked: MGR/TB
 Approved: A. STINNETT
 Date: 12/04/13

Sheet Number: 04

TSC Job No.: 50106

TSC
 THE STINNETT GROUP, LLP
 550 MONTGOMERY STREET
 SAN FRANCISCO, CA 94111
 PHONE: 415.398.6586
 FAX: 415.398.7960

EXHIBIT B

NOTICE OF COMMENCEMENT DATE

[Date]

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
_____ (Landlord), and the CITY AND COUNTY OF
SAN FRANCISCO (Tenant), for premises known as
_____ located at _____

Dear Director of Property:

This letter confirms that for all purposes of the Lease, the Commencement Date (as defined in Section 3.2 of the Lease) is _____, 20__.

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: _____
Sarah R. Oerth
Director of Property

Dated: _____

EXHIBIT C

BUILDING RULES AND REGULATIONS

Landlord will provide additional Rules & Regulations to City with formal notice.

General Safety Guidelines (including Code Red & other emergency codes)

Emergency Management Preparedness Program

Workplace Violence Prevention Program (this will include our Code Gray, Code Silver policies)

Smoke Free Environment/Drug-Free Environment

Personal Electronic Vehicles

Service Animal in the Healthcare Setting

EXHIBIT D

STANDARDS FOR UTILITIES AND SERVICES

Landlord will provide the following utilities and services, at cost:

(a) Elevators. Unattended automatic passenger elevator facilities serving the floor(s) on which the Premises are located, on a 24-hours a day, 7-days a week basis. Designated Service elevator is available 24 hours daily.

(b) Ventilation; Heating, and Air-Conditioning. Ventilation to the Premises and air-conditioning and heating to the Premises in season, 5-days per week, Monday through Friday, except holidays generally recognized in the City of San Francisco, from 7:00 a.m. to 6:00 p.m., and at the temperatures and in the amounts as City deems reasonably necessary for the comfortable occupancy of the Premises, subject to applicable governmental laws, ordinances, rules, and regulations. In addition to the above hours, Landlord will provide ventilation to the Premises and air-conditioning and heating to the Premises in season, after hours or on weekends or during holidays, on twenty-four (24) hours' notice from City, provided that City will reimburse Landlord for Landlord's actual cost for providing the additional ventilation to the Premises and air-conditioning and heating to the Premises in season. City may not alter, adjust, or tamper with the installations or facilities supplying climate control to the Building or the Premises.

(c) Electricity. Electric current to the Premises 24-hours a day, 7-days per week. City will not connect any apparatus or device with wires, conduits, or pipes, or other means by which the services are supplied, for the purpose of using additional or extraordinary amounts of the services without the prior written consent of Landlord. At all times, City's use of electric current at the Premises may not exceed the capacity of feeders to the Building or the risers or wiring installation, except as provided in working drawings to City.

(d) Water. Water available at current points of supply in public areas for drinking and lavatory purposes only, and hot and cold water in the Premises for drinking and kitchen purposes 24-hours per day, 7-days per week.

EXHIBIT E
INTENTIONALLY OMITTED

EXHIBIT F

INTENTIONALLY OMITTED

EXHIBIT G

SCOPE OF WORK

(845 Jackson Street, San Francisco, CA)

1. AT&T Fiber Installation

City to order AT&T fiber and any IT related equipment for the install of services to the Chinese Hospital MDF room at City's cost. Chinese Hospital to extend the AT&T fiber line from hospital MDF room to 4th floor IDF room.

2. IT Equipment Installation on 4th Floor IDF Room

There are a total five racks in 4th floor IDF room. The 4th floor IDF room provides a service to both 3rd and 4th floor. City to install IT equipment in one of the racks located next to the wall (Rack #5). City is responsible for patching and labeling of DPH IT equipment. Chinese Hospital is responsible for cabling run from patch panels to each room.

EXHIBIT H
SIGNAGE SCOPE

1. Install total 35 laminated room signages on each door. The three hours labor cost estimate is \$200. The Landlord to coordinate the room name with the City.

2. Directory signage modification to Chinatown Public Health Center. Modify total 8 directory signs by the elevators. The estimated cost is \$160 (\$20 x 8 floor).

3. Install the banner signage for Chinatown Public Health Center at the fourth floor elevator lobby. The estimated cost is \$400.

4. Install standing banner signage to the suite entrance. The estimated cost is \$350.

The total for the signage is not to exceed \$1,600.00

EXHIBIT I

INTENTIONALLY OMITTED

EXHIBIT J

REQUEST FOR ADDITIONAL SERVICES

Date: _____

Via Email: _____

[Landlord Address]

**Re: Additional Services Request
Department**

Dear _____:

Pursuant to our Lease dated for reference puposes as _____, the City is requesting that the landlord arrange for additional services under Section _____ (Additional Services). The City requests that landlord perform serrvices as specified under the attached Exhibit A at a cost not to exceed \$ _____.

This letter shall provide documentation of City’s written approval of this expense. The City shall promptly reimburse landlord with the first installment of rent due and, for later charges, with the relevant rent payment.

If you have any questions or concerns, please contact _____ on my staff at _____.

Recommended:

[Client Department Signature]

Please contact ADM finance/accounting to confirm any impacts to your work order.

Approved:

Director of Property

EXHIBIT K

BUILDING COMMON AREA MAINTENANCE COSTS

**Chinese Hospital Building Common Area
Maintenance:**

2025 Monthly Average Costs:

Security Services	\$62,000.00
Ambassadors/Patient Navigators	\$9,500.00
Elevator Maintenance	\$9,400.00
HVAC Maintenance	\$5,025.00
Building Maintenance	\$9,610.00
Total Monthly CAM Costs	\$95,535.00



San Francisco Ethics Commission

25 Van Ness Avenue, Suite 220, San Francisco, CA 94102

Phone: 415.252.3100 · Fax: 415.252.3112

Filing Information

Record Number

SFEC126F0001211

Status

BOS Legislative Clerk Acceptance

SFEC126f Form Type

126f4 BOS

File Number (BOS)

260342

Type of Filing

Original

Contractor Information

Contractor Name

Michael Chung

Contractor Email

michaelc@chasf.org

Contractor Phone #

(415) 677-2496

International Address?

No

Contractor Address (US)

845 Jackson Street

Contractor City and State

San Francisco - CA

Contractor Zip Code

94133

Country

United States of America

Contract Information

Contract Amount

\$3,880,292.20

Description of Amount of Contract

Base rent, Building's Common Area Maintenance, Utilities, Wireless Access Points, Improvement reimbursements. Lease for clinic at address for SF Department of Public Health Nature of Contract: 3-year lease with one 1-year extension

Contract Description

Lease Amendment

City Agency - Departmental Contact Information

Departmental Contact

Zerlina Wong Liberatore

Departmental Contact Phone #

(415) 554-9850

Full Department Name

ADM - Office of the City Administrator

Agency Contact Email

realestateadmin@sfgov.org

Contract Approval

Mayoral Approval Not Required

false

Affiliates and subcontractors

Entity Type	First Name	Last Name	Entity or Sub/Contractor Name
Other Principal Officer	Harvey	Louie	Chinese Hospital Association
CFO	Michael	Chung	Chinese Hospital Association
Board of Directors	Lawrence	Yee	Chinese Hospital Association
CEO	Jian	Zhang	Chinese Hospital Association
Board of Directors	Yick	Tam	Chinese Hospital Association
Board of Directors	Misha	Tsukerman	Chinese Hospital Association
Board of Directors	Sherman	Tang	Chinese Hospital Association
Board of Directors	Charles	Chow	Chinese Hospital Association
Board of Directors	Roger	Eng	Chinese Hospital Association
Board of Directors	Donald	Luu	Chinese Hospital Association
Board of Directors	Thomas	Yuen	Chinese Hospital Association
Board of Directors	Ding	Lee	Chinese Hospital Association
Board of Directors	Lawrence	Wong	Chinese Hospital Association
Board of Directors	Jack	Sit	Chinese Hospital Association
Board of Directors	Terry	Luk	Chinese Hospital Association
Board of Directors	Di an	Chen	Chinese Hospital Association
Board of Directors	Clifton	Leung	Chinese Hospital Association
Board of Directors	Thomas	Ng	Chinese Hospital Association

City & County of San Francisco
Daniel Lurie, Mayor



Office of the City Administrator
Carmen Chu, City Administrator
Sally Oerth, Director of Real Estate

March 26, 2026

Honorable Board of Supervisors
City and County of San Francisco
City Hall, Room 244
1 Carlton B. Goodlett Place
San Francisco, CA 94102

RE: Lease Amendment – 845 Jackson Street, 4th Floor
San Francisco Department of Public Health, Tenant
Chinese Hospital Association, Landlord

Dear Board Members:

Attached for your consideration is a proposed Resolution authorizing and approving a First Amendment (the "Amendment") to that certain lease agreement dated September 15, 2025, between the City on behalf of The Department of Public Health ("DPH") as Tenant, and The Chinese Hospital Association, a nonprofit corporation, as ("Landlord"), for approximately 11,894 square of The Chinese Hospital, located at 845 Jackson Street (the "Hospital") (the "Lease").

DPH entered into the Lease to temporarily relocate its Chinatown Public Health Center operations (the "Clinic") to the Hospital during the voter approved renovation and seismic retrofit of the Clinic's permanent space (the "Project"). The Clinic serves as the primary care clinic for approximately 4,400 San Franciscans who are mainly low-income, elderly, or new immigrants residing in the Chinatown.

The Lease requires Landlord to obtain government agency approval from the California Department of Health Care Access and Information ("HCAI"), and California Department of Public Health allowing a temporary change of use at the Hospital from licensed hospital beds to a non-hospital-based clinic ("Change of Use Permit").

The cost of obtaining the Change of Use Permit and making the requisite Tenant Improvements (the "TIs"), are reimbursable by the City. The Lease set a maximum reimbursement for the TIs at \$300,000. The Lease had an original termination date of October 29, 2028.

In the collaborative process of obtaining the Change of Use Permit, HCAI increased the TIs to include a major fire safety system upgrade. This will delay the originally planned start date for Clinic operations and increase the cost of the TIs.

The proposed Amendment effectively changes the Lease expiration date to the third anniversary from the date of issuance of the Change of Use Permit, which is estimated to be in June 2026, and extends the total lease term of the lease by approximately seven (7) months. Additionally, the Amendment increases the maximum amount of reimbursement by the City by \$500,000, for a new total of \$800,000 for the Project.

Should you have any questions regarding the transaction, please contact Rachan Anderson of the Real Estate Division at (415) 554-9850.

Respectfully,



Sally Oerth
Director of Property