

SECOND AMENDMENT TO LEASE

THIS SECOND AMENDMENT TO LEASE (this “**Amendment**”) dated for references purposes only as of _____, 2026, is made by and between TOWNSEND ASSOCIATES, LLC, a California limited liability company (“**Landlord**”) and the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation (“**City**” or “**Tenant**”). City and Landlord are sometimes individually referred to herein as a “**Party**” and collectively as the “**Parties**”.

RECITALS

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

A. City and Landlord have previously entered into an existing lease agreement, dated as of May 9, 2016, which was amended by a Lease Amendment dated August 30, 2021 (as amended, the “**Original Lease**”), for the lease of Suite #307-309 at the building located at 650 Fifth Street (the “**Building**”), 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 office, counseling, public services, and such other uses as specified in the Basic Lease Information.

C. The Parties now desire to modify the Original Lease to (i) extend the term of the Original Lease, (ii) specify the Base Rent during the extended term, and (iii) make certain other amendments to the Original Lease, all subject to, and on the basis of, the terms, covenants, and conditions of this Amendment. The Original Lease, as amended by this Amendment, is referred in this Amendment to as the “**Lease**”.

ACCORDINGLY, in consideration of the matters described in the foregoing Recitals, and for other good and valuable consideration, the receipt and sufficiency of which are mutually acknowledged, City and Landlord agree as follows:

1. **Definitions.** Capitalized terms not otherwise defined in this Amendment have the meanings set forth in the Original Lease.

2. **Amended Basic Lease Information.** The subsections in Section 1 of the Original Lease (Basic Lease Information) listed below are hereby amended and restated to read in their entirety as follows:

Term (<u>Section 3</u>):	Five (5) years, commencing on the “Commencement Date,” which shall be the latter of (a) approval by the Board of Supervisors and the Mayor and (b) the execution of this Lease by the Director of Property and ending on the “Expiration Date,” subject to termination and extension provisions in the Lease.
	Expiration Date: July 31, 2031
Extension Option(s) (<u>Section 3.3</u>):	One (1) additional term of five (5) years, exercisable by City by notice to Landlord given not less than one hundred eighty (180) days in advance, with rent equal to 95% of prevailing market rate, as determined by third-party appraisal.
Base Rent (<u>Section 4.1</u>):	Annual Base Rent:

	August 1, 2026 – July 31, 2027: \$122,400.00 (\$40 per sq. ft.) Monthly payments: \$10,200.00 (\$3.33 per sq. ft.) August 1, 2027 – July 31, 2028: \$126,072.00 (\$41.20 per sq. ft.) Monthly payments: \$10,506.00 (\$3.43 per sq. ft.) August 1, 2028 – July 31, 2029: \$129,854.16 (\$42.44 per sq. ft.) Monthly payments: \$10,821.18 (\$3.54 per sq. ft.) August 1, 2029 – July 31, 2030: \$133,749.78 (\$43.71 per sq. ft.) Monthly payments: \$11,145.82 (\$3.64 per sq. ft.) August 1, 2030 – July 31, 2031: \$137,762.28 (\$45.02 per sq. ft.) Monthly payments: \$11,480.19 (\$3.75 per sq. ft.)
Base Rent Adjustment (Section 4.2)	Base Rent will escalate by 3% on August 1, 2027, and on each August 1 thereafter during the Term.
Notice Address for Tenant (Section 23.1):	Real Estate Division 25 Van Ness Avenue, Suite 400 San Francisco, CA 94102 Attn: Director of Property Re: 650 Fifth Street Fax No.: (415) 252-3015
with a copy to:	Department of Public Health/Jail Health Services 650 Fifth St, Suite 309 San Francisco, CA 94107 Attn: Martin Soto, Director, Operations and Equity Jail Health Services Fax No.: (415) 348-8604
and to:	Office of the City Attorney City Hall, Room 234 1 Dr. Carlton B. Goodlett Place San Francisco, CA 94102 Attn: Real Estate & Finance Group Re: 650 Fifth Street Fax No.: (415) 554-4755
Key Contact for Tenant:	Melvin Mendaros, Transactions Agent
Tenant Contact Tel. No.:	(415) 554-9887

3. Extension of Term. City and Landlord agree to extend the Term of the Lease for an additional five (5) years commencing on the Commencement Date, as defined in the Basic Lease Information. The Term will end on the Expiration Date specified in the Basic Lease Information, or the date that the Lease is earlier terminated under the provisions of the Lease, unless City extends the Term pursuant to Section 4 (Extension Option) below. From and after the Commencement Date, all references in the Lease to the “**Initial Term**” and in this Amendment to the “**Term**” or “**term**” shall refer to the Term, as extended hereby.

4. Extension Option. City shall have the right to extend the Term of the Lease, as amended by this Amendment (“**Extension Option**”) for the additional term specified in the Basic Lease

Information (“**Extended Term**”). The last sentence of Section 3.3 of the Lease is hereby deleted.

5. 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. If Landlord chooses not to make repairs City shall have the option to terminate the Lease.

6. Omitted Lease Provisions. The Lease is hereby amended to delete Section 23.22 (MacBride Principles – Northern Ireland) and Section 23.25 (Non-Discrimination in City Contracts and Benefits Ordinance) in their entirety.

7. Prevailing Wages for Construction Work. The Lease is hereby amended to replace Section 23.24 in its entirety as follows:

(a) Any undefined, initially-capitalized term used in this Section has the meaning given to that term in Section 101.1 of the San Francisco Labor and Employment Code. Landlord will require its Contractors and Subcontractors performing work on any Covered Project at the Premises to pay Prevailing Wages in accordance with the requirements of Article 103 of the San Francisco Labor and Employment Code and employ Apprentices in accordance with Article 104 of the San Francisco Labor and Employment Code. Any contract, subcontract, or other type of agreement for the performance of that Covered Project shall (A) require the payment of the highest general Prevailing Rate of Wages as fixed and determined in accordance with Section 103.2 of the San Francisco Labor and Employment Code to all persons performing labor or work for the Covered Project and employment of Apprentices in accordance with Section 104.1 of the San Francisco Labor and Employment Code, (B) require all records described in Section 103.3(e) of the San Francisco Labor and Employment Code to be kept and submitted in compliance with the requirements of that Section, (C) name City, affected workers, and employee organizations formally representing affected workers as third party beneficiaries for the limited purpose of enforcing the Prevailing Wage requirements of Article 103 of the San Francisco Labor and Employment Code and apprenticeship requirements of Article 104 of the

San Francisco Labor and Employment Code, including the right to file charges and seek penalties against any Contractor or Subcontractor in accordance with Articles 103 through 106 of the San Francisco Labor and Employment Code, (D) include the Prevailing Rate of Wages or a statement that copies of the Prevailing Rate of Wages as fixed and determined in accordance with Section 103.2 of the San Francisco Labor and Employment Code are on file at the job site and available to any interested party on request, and (E) include the following provisions:

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

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

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

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

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

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

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

8. Municipal Green Building Requirements. The Lease is hereby amended to replace Section 23.28 in its entirety as follows:

Landlord acknowledges that the City and County of San Francisco has enacted San Francisco Environment Code Sections 700 to 705 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 including, but not limited to, requiring that design and construction contracts for the Premises reflect the requirement for adequate, accessible, and convenient areas for the collection, storage and loading of 100% of recyclable, compostable and refuse materials and providing City the right to ensure the areas meet those requirements.

9. Notification of Limitations on Contributions. The Lease is hereby amended to replace Section 23.33 in its entirety as follows:

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.

10. 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.

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

12. 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.

13. 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.

14. 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.

15. Effective Date. This Amendment shall become effective on the date executed by the Director of Property, following the Parties' execution of this Amendment and the adoption by City's Mayor and Board of Supervisors, in their sole and absolute discretion, of a resolution approving this Amendment in accordance with all applicable laws.

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

17. 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.

18. 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.

[Signature Page Follows]

In witness whereof, the Parties hereto have executed this Amendment as of the date written above.

LANDLORD: TOWNSEND ASSOCIATES, LLC,
a California limited liability company
By: Metrovation LLC, its Manager

Signed by:
By: Mark Seiler
Mark Seiler, Manager

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

By: _____
Sarah R. Oerth
Director of Property

Pursuant to Board of Supervisors Resolution No.
_____.

Date: _____

APPROVED AS TO FORM:

DAVID CHIU, City Attorney

By: _____
Vicente P. Reyes
Deputy City Attorney