

File No. 250826

Committee Item No. 5

Board Item No. \_\_\_\_\_

## COMMITTEE/BOARD OF SUPERVISORS

### AGENDA PACKET CONTENTS LIST

Committee: Budget and Finance Committee Date September 3, 2025

Board of Supervisors Meeting Date \_\_\_\_\_

#### Cmte Board

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Completed by: Brent Jalipa Date August 28, 2025

Completed by: Brent Jalipa Date \_\_\_\_\_

1 [Real Property Lease - NPU, Inc., a California Corporation - Old United States Mint -  
2 Participation Rent of 10% of Gross Monthly Revenue]

3 **Resolution authorizing and approving the Director of Property to execute a Lease**  
4 **Agreement for a term of five years with three five-year options to extend, to commence**  
5 **upon approval of this Resolution through July 31, 2029 with NPU, Inc. for the continued**  
6 **use of the Old Mint located at 88 5th Street, paying as participation rent, 10% of the**  
7 **gross monthly revenue generated from their use of the Old Mint; and authorizing the**  
8 **Director of Property to execute any amendments or modifications to the Lease**  
9 **including exercising options to extend the agreement term, make certain modifications**  
10 **and take certain actions that do not materially increase the obligations or liabilities to**  
11 **the City, and do not material decrease the benefits to the City and are necessary to**  
12 **effectuate the purposes of the Lease or this Resolution.**

13  
14 WHEREAS, The Old United States Mint ("Old Mint" or "Mint") is a National Historic  
15 Landmark, the highest recognition of historical significance designated by the federal  
16 government, for its unique architecture and history; and

17 WHEREAS, The City and County of San Francisco's Office of Economic and  
18 Workforce Development ("OEWD") is working on projects to renovate and rededicate the Mint  
19 as a permanent cultural facility in the City through the Old Mint Restoration Project  
20 ("Restoration Project"); and

21 WHEREAS, The City desires to continue activation and stewardship of the Old Mint  
22 during the Old Mint Restoration Project and until such time as the City is prepared to proceed  
23 with subsequent phases of the Restoration Project; and

24 WHEREAS, On June 3, 2016, the City issued a Request for Proposals for Lease  
25 resulting in the selection of NPU, Inc. ("Tenant"); and

1 WHEREAS, City executed a lease with NPU, Inc. dated March 1, 2020, for two years  
2 with three one-year options to extend; and

3 WHEREAS, Due to the COVID-19 health emergency and resulting negative economic  
4 impact Tenant has a past rent balance due to the City of \$163,000; and

5 WHEREAS, To address the past due rent balance, Tenant agrees to perform capital  
6 improvement projects in exchange for City forgiving the past due rent balance; and

7 WHEREAS, The proposed Lease includes: (i) an expiration date of July 31, 2029,  
8 subject to three options to extend, each for five additional years; (ii) participation rent equal to  
9 the sum of 10% of the gross revenue Tenant receives from third parties as payment for rental  
10 of the Old Mint; (iii) Tenant will make certain capital improvements to the Old Mint during the  
11 initial term of the Lease; and

12 WHEREAS, Tenant shall pay for utilities, services, maintenance, and tax assessments  
13 in addition to Participation Rent of 10% of the gross revenue received by tenant for events  
14 held at the property ; and

15 WHEREAS, An appraisal was done as required under Chapter 23 of the Admin Code  
16 and found the Fair Market Participation Rent was found to be at or above fair market rent; and

17 WHEREAS, The Real Estate Division has negotiated a Lease in substantially the form  
18 on file with the Clerk of the Board of Supervisors in File No. 250826, which is hereby declared  
19 to be a part of this resolution as if set forth fully herein (the "Lease"); and

20 WHEREAS, The Lease shall commence upon approval by the Board of Supervisors  
21 and Mayor; and

22 RESOLVED, That in accordance with the recommendation of the Director of Property,  
23 the Director of Economic and Workforce Development, and in consultation with the City  
24 Attorney, the Director of Property on behalf of the City, as Landlord, shall be and is hereby  
25 authorized to take all actions necessary to execute the Lease at the Old United States Mint,

1 for the initial term of five years with three five year options subject to the enactment of a  
2 resolution by the Board of Supervisors and the Mayor, in their respective sole and absolute  
3 discretion, approving and authorizing the same; and, be it

4 FURTHER RESOLVED, The monthly rent for the initial term shall be in the form of 10%  
5 of the gross monthly revenue received by Tenant, exclusive of all utilities and services for  
6 which Tenant is solely responsible without any rent credit; and, be it

7 FURTHER RESOLVED, The past due rent owed to City in the amount of \$160,000 will  
8 be forgiven in exchange for Tenant completing planned capital improvement projects during  
9 the initial term of the lease; and, be it

10 FURTHER RESOLVED, The Board of Supervisors approves the Lease in substantially  
11 the form in the Board's File and authorizes the Director of Property to take all actions, on  
12 behalf of City, to enter into any further amendments or modifications (including without  
13 limitation, the exhibits) to the Lease that the Director of Property determines, in consultation  
14 with the City Attorney, are in the best interests of the City, do not materially increase the  
15 obligations or liabilities of the City, and are necessary or advisable to complete the transaction  
16 and effectuate the purposes and intent of this Resolution and are in compliance with all  
17 applicable laws, including the City's Charter; and, be it

18 FURTHER RESOLVED, That any action heretofore taken by any City employee or  
19 official with respect to the exercise of the Lease as set forth herein is hereby approved,  
20 confirmed and ratified; and, be it

21 FURTHER RESOLVED, That within thirty (30) days of the Lease being fully executed  
22 by all parties, the Director of Property shall provide a copy of the Lease to the Clerk of the  
23 Board to include in the official file.

1 RECOMMENDED:

2 /s/

3 Anne Taupier  
4 Executive Director  
5 SF Office of Economic & Workforce Development  
6  
7

8 RECOMMENDED

9 /s/

10 Andrico Q. Penick  
11 Director of Property  
12 Real Estate Division  
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**Item 5**  
**File 25-0826**

**Department:** Real Estate Division (RED)  
Office of Economic Workforce Development (OEWD)

## EXECUTIVE SUMMARY

### Legislative Objectives

- The proposed resolution would approve a new lease agreement between the Real Estate Division (RED) as landlord, and Non Plus Ultra, Inc. (NPU) as tenant at the Old Mint located at 88 5<sup>th</sup> Street for an initial term through July 31, 2029 with three five-year options to extend and a participation rent equal to 10 percent of gross monthly revenues. The proposed resolution has an error and the initial term should be approximately four years, not five years, as stated in the resolution.

### Key Points

- The Office of Economic Workforce Development (OEWD) began working in 2015 to restore the Old Mint building as a cultural center. In 2016, RED and OEWD issued a Request for Proposals soliciting tenants to lease the Old Mint while project planning and restoration of the building proceeded. Non Plus Ultra, Inc. (NPU) was the only respondent to the RFP. Both departments were unable to provide competitive solicitation details. To keep the building activated and maintained while restoration plans progress, RED and OEWD are proposing to continue NPU's tenancy with a new lease and did not issue a competitive solicitation.
- The proposed lease allows for a continuation of the existing use of the property for NPU's current operations, which includes hosting various events and performances. Participation rent will equal 10 percent of gross monthly revenues generated from booking events for the initial term. An appraisal determined that the proposed participation rent at fair market rent value. The City may elect to terminate the lease without penalty with one-year notice to the tenant.

### Fiscal Impact

- Over the first four years of the initial term of the proposed lease, projected total participation rent to be paid by NPU to the City is approximately \$693,759. Back rent of \$163,000 owed to the City will be forgiven in exchange for the tenant completing planned capital improvement projects valued at \$477,500.

### Policy Consideration

- The proposed new lease was not competitively procured because the tenant is in good standing, RED is continuing the interim activation of the site, and RED's belief that there will be minimal responses to an RFP issuance due to the one-year termination clause. Unlike the Port, the Real Estate Division does not have a formal policy regarding competitively awarding lease renewals. Because the lease was not competitively awarded consistent with Chapter 23 of the Administrative Code, we consider approval to be a policy matter for the Board of Supervisors.

### Recommendations

- The Board of Supervisors should: (1) Amend the proposed resolution to correctly state that the initial lease term is approximately four years. (2) Approval of the resolution, as amended, is a policy matter for the Board of Supervisors.
- The Real Estate Division should: (3) Establish and document a policy regarding competitively awarding leases.

**MANDATE STATEMENT**

City Charter 9.118(c) states that any lease, modification, amendment, or termination of a lease that had an initial term of ten years or more, including options to extend, or that had anticipated revenues of \$1 million or more is subject to Board of Supervisors approval.

Administrative Code Section 23.30 states that the Board of Supervisors shall approve all leases on behalf of the City as landlord by resolution for which the term is longer than a year and costs over \$15,000 per month. The Real Estate Division must obtain an appraisal of the fair market rent if the rent exceeds \$45 per square foot per year and appraisal review if the rent exceeds \$60 per square foot per year.

**BACKGROUND**

The Old United States Mint (Old Mint), which is a National Historic Landmark located at 88 5<sup>th</sup> Street, was acquired by the City from the federal government in 2003. The Office of Economic Workforce Development (OEWD) began working in 2015 on a project to fully restore and rehabilitate the Old Mint with a long-term goal of establishing it as a new and permanent cultural center, which could possibly feature a museum. In June 2016, the Real Estate Division (RED) in coordination with OEWD issued a Request for Proposals (RFP) soliciting prospective tenants to lease the Old Mint while project planning and restoration of the building proceeded. The proposed term in the RFP was two years upon commencement of the lease with three one-year extension options. According to the RFP, selection and evaluation criteria for proposals included experience in event planning, a business plan, financial capacity (organization and partners), community programming/engagement, improvements to premises, monthly rent bid, and other factors, as well as an oral interview. According to RED and OEWD, Non Plus Ultra, Inc. (NPU), an event hosting company, was the only respondent to the RFP. However, both departments were unable to provide competitive solicitation details (e.g., scoring, panelists). In March 2020<sup>1</sup>, the Board of Supervisors approved a lease between the City, as landlord, and NPU, as tenant, at the Old Mint for a monthly base rent of \$22,000, participation rent of 50 percent of venue rental fees and \$2,500 per ticketed event for a two-year term through February 28, 2022 with three one-year extension options (File 17-1320).

According to RED, this lease has been on month-to-month holdover status effective March 1, 2025<sup>2</sup> with a rental rate of \$24,761 per month. To keep the building activated and maintained while restoration plans progress, RED and OEWD are proposing to continue NPU's tenancy at the Old Mint with a new lease. According to RED, a new competitive solicitation for the proposed lease did not occur because the tenant successfully managed the building, including during the

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<sup>1</sup> According to OEWD, it took over three years from the RFP issuance for the lease to be executed because of multiple leadership changes and challenges in prioritizing the project during the transitions. During this period, NPU (formerly Activate San Francisco) continued to operate at the Old Mint under a 2015 month-to-month permit.

<sup>2</sup> According to RED, the lease is on holdover because of delays caused by incorporating the tenant improvement projects and lease termination clause as part of the proposed lease

pandemic, and has acquired an understanding of the historical building and location.<sup>3</sup> In addition, RED states that the proposed lease's one-year termination clause would likely result in minimal responses to an RFP issuance. Consequently, this lease is now being considered by the Board of Supervisors for approval because the proposed lease's initial term, including options to extend, is over ten years.

#### **DETAILS OF PROPOSED LEGISLATION**

The proposed resolution would approve a new lease agreement between the Real Estate Division (RED) as landlord, and Non Plus Ultra, Inc. (NPU) as tenant at the Old Mint located at 88 5<sup>th</sup> Street for an initial term through July 31, 2029 with three five-year options to extend and a participation rent equal to 10 percent of gross monthly revenues. The proposed resolution states that the initial term is five years, however, this is an error and the initial term should be approximately four years, for a total potential term of 19 years.<sup>4</sup> We recommend that the resolution be amended to state the correct lease term.

The lease is for 100,000 square feet at the Old Mint building located at 88 Fifth Street. The new lease agreement would commence upon approval of this resolution. The resolution also authorizes RED to make further immaterial amendments to the contract.

Exhibit 1 below summarizes the terms and conditions of the lease provisions.

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<sup>3</sup> According to RED, the tenant currently has a lease at the Palace of Fine Arts with the Recreation and Park Department, which has confirmed the tenant is in good standing.

<sup>4</sup> RED states that the lease term is up to 19 years but the City can deny exercising the extension options. In addition, the lease includes a one-year termination clause to accommodate OEWD's long-term restoration goals and provide added flexibility.



**Exhibit 1. Summary of Proposed Lease**

|                                          | <b>Proposed Lease</b>                                                                                                                                                                                                                                                                                                                                                                                                                    |
|------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Premises</b>                          | 100,000 square feet (75,000 of rentable space and 25,000 of publicly accessible event space <sup>5</sup> ) at the Old Mint building located at 88 Fifth Street in San Francisco                                                                                                                                                                                                                                                          |
| <b>Base Rent</b>                         | None                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Participation Rent</b>                | Ten percent of monthly gross sales <sup>6</sup> for initial term. RED may adjust the participation rent if extension option is exercised.                                                                                                                                                                                                                                                                                                |
| <b>Utilities, Maintenance and Repair</b> | Tenant solely responsible                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>Initial Term</b>                      | Approximately four years following execution, to expire on July 31, 2029                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Options to extend</b>                 | Three five-year options to extend                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>Tenant Improvements</b>               | In exchange for forgiving \$163,000 in back rent under the current lease, tenants will make the following capital improvements at no cost to the City, valued at \$477,500: exterior and interior lighting upgrade, security camera upgrade, elevator door replacement, restroom remodel including replacement of main waterline, and elevator modernization. The Tenant Capital Improvement Projects Plan will refresh every two years. |
| <b>Lease Termination</b>                 | City may elect to terminate the lease without penalty with written one-year notice to the tenant.                                                                                                                                                                                                                                                                                                                                        |
| <b>Security Deposit</b>                  | \$50,000 (already received by RED in November 2015)                                                                                                                                                                                                                                                                                                                                                                                      |

Source: Proposed Lease Agreement

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

**Site Usage**

The 100,000 square feet of premises are comprised of approximately 75,000 square feet of rentable space and 25,000 of publicly accessible event space at the Old Mint building located at 88 Fifth Street. The proposed lease allows for a continuation of the existing use of the property for NPU's current operations, which includes hosting music concerts, community events, cultural programming and performances, trade shows, corporate events and meetings, and special events. The new lease maintains the size of the currently leased premises.

**Utilities, Maintenance & Repair**

Under the proposed lease, the tenant will pay the utilities separately from the participation rent. The tenant is also responsible for all maintenance and repair to the premises, as well as on-site

<sup>5</sup> During events, this space is publicly accessible.

<sup>6</sup> Gross sales could include any other income besides venue rental fees. Under this proposed lease, revenue from gross sales and venue rental fees should be the same.

security. This includes paying for a facility team of two full-time staff members who oversee ongoing restoration projects, maintenance and emergency repairs dedicated to the upkeep of the Old Mint building.

### Participation Rent Determination

Under the proposed lease, participation rent will equal 10 percent of gross monthly revenues generated from booking events for the initial term. The proposed lease also stipulates that RED may adjust the participation rent if the City elects to exercise an extension option. An appraisal conducted by Colliers International in October 2024 (as required under Chapter 23 of the Administrative Code) has determined that the proposed participation rent of 10 percent of monthly gross sales for the leased premises is at fair market rent value.

### Tenant Improvements

According to RED, because NPU entered the lease in March 2020 at the start of the pandemic which disrupted the business, it fell behind in rent payments totaling \$332,640 and repaid \$169,640, with a current back rent of \$163,000. Under the proposed lease, the back rent of \$163,000 owed to the City will be forgiven in exchange for the tenant completing planned capital improvement projects valued at \$477,500 during the initial term of the lease. The tenant is responsible for funding the improvements. As stipulated in the lease, the tenant's capital improvement projects plan will be refreshed every two years, and the tenant may make additional improvements based on the plan. Exhibit 2 below summarizes the proposed tenant capital improvement projects to be completed in 2025 and 2026.

**Exhibit 2. Proposed Tenant Capital Improvement Projects**

| <b>Year</b>  | <b>Project</b>                                  | <b>Estimated Cost</b> |
|--------------|-------------------------------------------------|-----------------------|
| 2025         | Exterior and Interior Lighting Upgrade          | \$38,247 <sup>7</sup> |
|              | Security Camera Upgrade                         | 8,568                 |
|              | Elevator Door Replacement                       | 56,529                |
|              | <i>2025 Subtotal</i>                            | <i>\$103,344</i>      |
| 2026         | Restroom Remodel and Main Waterline Replacement | 192,276               |
|              | Elevator Modernization Project                  | 181,880               |
|              | <i>2026 Subtotal</i>                            | <i>\$374,156</i>      |
| <b>Total</b> |                                                 | <b>\$477,500</b>      |

Source: RED

### Lease Termination

Under the proposed lease, the City may elect to terminate the lease without penalty with a written one-year notice to the tenant. According to RED, the lease could be terminated early if OEWD is ready to move forward with establishing the Old Mint as a cultural center or the tenant is not meeting lease terms and conditions. According to OEWD staff, the anticipated completion date for restoring the Old Mint is still to be determined, as the department is updating cost

<sup>7</sup> According to RED, this estimate is for the first stage of the project and is part of a larger enhanced lighting project should funds become available.

estimates and identifying capital funds for the work since previous plans to restore the facility in partnership with the California Historical Society are no longer viable.<sup>8</sup>

### FISCAL IMPACT

As shown in Exhibit 3 below, over the first four years of the initial term of the proposed lease, projected total participation rent to be paid by NPU to the City is approximately \$693,759. According to RED, projected participation rent for Years 1 and 2 are based on current bookings and estimated gross revenues, increasing by 10 percent from Year 1 to Year 2 and 12 percent from Year 2 to Year 3. Projections for Years 3 and 4 are based on the tenant's projections.

**Exhibit 3. Projected Participation Rent to Be Paid by NPU**

| Year         | Projected Gross Revenues | Projected Participation Rent |
|--------------|--------------------------|------------------------------|
| Year 1       | \$1,511,904              | \$151,190                    |
| Year 2       | 1,663,095                | 166,310                      |
| Year 3       | 1,862,666                | 186,267                      |
| Year 4       | 1,899,919                | 189,992                      |
| <b>Total</b> | <b>\$6,937,584</b>       | <b>\$693,759</b>             |

Source: RED

Estimated participation rent is \$151,190 in Year 1, or approximately \$2.02 per rentable square foot. This is approximately 49 percent lower than the base holdover rent of \$297,132. According to RED, the rent is reduced under the proposed lease compared to the existing because the holdover rent was based on pre-pandemic market conditions, which have since changed. In addition, the proposed lease now requires the tenant to be responsible for maintenance, repairs and additional capital improvements.

According to RED, under the current lease, the tenant has paid \$95,459 in participation rent from March 2020 to July 2025. RED states the lower amount is due to the tenant's inability to host events during the pandemic.

As discussed above, the back rent of \$163,000 owed to the City will be forgiven in exchange for the tenant completing planned capital improvement projects valued at \$477,500 during the initial term of the lease.

### POLICY CONSIDERATION

Administrative Code Section 23.33 states that any leases of City property that are expected to produce more than \$2,500 per month in revenue be awarded in accordance with Competitive Bidding Procedures, unless such procedures are impractical or impossible. Despite this local law,

<sup>8</sup> According to OEWD staff, OEWD and the California Historical Society (CHS) evaluated the feasibility of rededicating the Old Mint as a new cultural facility, with CHS as lead tenant and curator of the space. A preliminary estimate by a consultant estimated a capital improvement project to restore the facility would cost \$153 million in 2024 dollars. CHS has since ceased operations, and OEWD is working with the Department of Public Works' Bureau of Architecture to update plans for the facility and develop a scope of work and cost estimates for Phase 1 improvements.

RED did not competitively award this new lease. Because the lease was not competitively awarded consistent with Chapter 23 of the Administrative Code, we consider approval to be a policy matter for the Board of Supervisors.

As previously mentioned, RED states that a competitive solicitation for the proposed lease did not occur because NPU successfully managed the building, especially during the pandemic, and has acquired an understanding of the historical building and location. The tenant has also booked events through 2026, demonstrating potential revenue generation. In addition, RED believes that the proposed lease's one-year termination clause would likely result in minimal responses to an RFP issuance. The current lease was competitively procured in 2016, and according to RED and OEWD, NPU was the only respondent. However, as previously mentioned, both departments were unable to provide competitive solicitation details (e.g., scoring, panelists). RED states that the RFP process in 2016 was used to select an interim activation of the site, in which a tenant was selected as a "placeholder" to occupy the space until OEWD completes the long-term restoration project. If the lease required permanent activation, RED would have issued a new RFP for the proposed lease; however, RED intends to continue the interim activation. The interim tenancy may now run 44 years, if all options of the proposed lease are exercised.

The Real Estate Division does not have a formal policy regarding competitively awarding lease renewals. We recommend that RED establish and document a policy regarding competitively awarded leases. The Port has a policy regarding awarding new leases to existing tenants without a competitive solicitation, so long as they are in good standing.

## RECOMMENDATIONS

The Board of Supervisors should:

1. Amend the proposed resolution to correctly state that the initial lease term is approximately four years.
2. Approval of the resolution, as amended, is a policy matter for the Board of Supervisors.

The Real Estate Division should:

3. Establish and document a policy regarding competitively awarding leases.

LEASE

between

CITY AND COUNTY OF SAN FRANCISCO,  
as Landlord

and

NPU, INC.,  
a California Corporation,  
as Tenant

For the lease of  
88 Fifth Street, San Francisco, California

\_\_\_\_\_, 2025

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- EXHIBIT D – Reserved
- EXHIBIT E – Rules and Regulations
- EXHIBIT F – First Source Hiring Agreement

LEASE

THIS LEASE (this “**Lease**”), dated for reference purposes only as of January 9<sup>th</sup>, 2025, is between the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation (“**City**”), and NPU, Inc., a California corporation (“**Tenant**”).

City and Tenant hereby covenant and agree as follows:

1. BASIC LEASE INFORMATION

The following is a summary of basic lease information (the “**Basic Lease Information**”). Each item below incorporates all of the terms in this Lease related 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:                          | January 9 <sup>th</sup> , 2025                                                                                                                                                                                                                                                                                                                                          |
| Landlord:                                      | CITY AND COUNTY OF SAN FRANCISCO,<br>a municipal corporation                                                                                                                                                                                                                                                                                                            |
| Tenant:                                        | NPU, Inc. a California corporation                                                                                                                                                                                                                                                                                                                                      |
| Building (Section 2.1):                        | The building commonly known as the<br>“Old United States Mint” or “Old Mint”, located at<br>88 Fifth Street, San Francisco, California                                                                                                                                                                                                                                  |
| Premises (Section 2.1):                        | Old Mint building comprised of approximately<br>100,000 square feet, and real property parcel<br>located at 88 Fifth Street, San Francisco, California<br>(Block 3704, Lot 001) as depicted on attached as<br><b><u>Exhibit A</u></b> .                                                                                                                                 |
| Rentable Area of Premises:                     | Approximately 75,000 square feet.                                                                                                                                                                                                                                                                                                                                       |
| Publicly Accessible Event Area of<br>Premises: | Approximately 25,000 square feet.                                                                                                                                                                                                                                                                                                                                       |
| Term (Section 3.1):                            | Term shall commence on the Commencement<br>Date, which shall be the latter of (a) the date that<br>the Lease has been approved by the Board of<br>Supervisors and the Mayor in their absolute and<br>sole discretion and (b) the date the Lease has been<br>executed by the Director of Property and expires<br>on the Expiration Date, which shall be July 31,<br>2029 |

|                                        |                                                                                                                                                                                                                                                                                                                                 |
|----------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Participation Rent (Section 4.4)       | Ten percent (10%) of the monthly gross receipts.                                                                                                                                                                                                                                                                                |
| Permitted Uses (Section 5.1):          | Presenting community events, music concerts, theatrical events, cultural programming and entertainment performances, consumer events, trade shows, corporate meetings, social functions and special events                                                                                                                      |
| Tenant Improvements (Section 6.1):     | In addition to Participation Rent, Tenant, at no cost to City, will make certain Tenant Improvements based on the mutually agreeable five-year plan (the “ <b>Tenant Capital Improvement Projects Plan</b> ”) attached as <b><u>Exhibit C</u></b> . The plan will refresh every two years in sync with the City’s budget cycle. |
| Utilities and Services (Section 10.1): | Tenant shall pay for all utilities and for all services                                                                                                                                                                                                                                                                         |
| Security Deposit (Section 23):         | \$50,000 (funds on deposit with City since November 2015)                                                                                                                                                                                                                                                                       |

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

|         |                                                                                                                                                                                                                                |
|---------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| and to: | Office of the City Attorney<br>City Hall, Room 234<br>1 Dr. Carlton B. Goodlett Place<br>San Francisco, California 94102-4682<br>Attn: Real Estate & Finance Group<br>Re: 88 Fifth Street, Old Mint<br>Fax No.: (415) 554-4757 |
|---------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

|                               |                                                          |
|-------------------------------|----------------------------------------------------------|
| Key Contact for City:         | Sally Oerth<br>Director of Real Estate                   |
| Telephone No.:                | (415) 554-9871                                           |
| Alternate Contact for City:   | Michael B. Halpren                                       |
| Telephone No.:                | (415) 554 - 9865                                         |
| Tenant's Notice Address:      | 88 5th St.,<br>San Francisco, CA 94103<br>Fax No.: _____ |
| Key Contact for Tenant:       | Ryan West ryan@npu.co                                    |
| Telephone No.:                | 415-629-0712                                             |
| Alternate Contact for Tenant: | Andrea Kirk andrea@npu.co                                |
| Telephone No.:                | 646 – 678 - 0970                                         |

## 2. PREMISES; AS IS CONDITION

### 2.1. Lease Premises

Subject to the provisions of this Lease, City leases to Tenant and Tenant leases from City 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 rentable area of the Premises specified in the Basic Lease Information will be conclusive for all purposes. The Building, the land on which the Building is located, and all other improvements on and appurtenances to the land are referred to collectively as the “**Property**.” Tenant shall have the exclusive right to use the lobbies, corridors, elevators, stairways, and other public areas of the Building and the Property (collectively, the “**Common Areas**”), and the exclusive right of access to and from the Premises by the main entrances to the Building and the Property.

### 2.2. Old Mint Restoration Project

The City's long-term objectives for the Old Mint are to fully renovate the Building and rededicate it as a permanent cultural facility, possibly featuring a history museum - an effort referred to as the “Old Mint Restoration Project”. The primary role of this Lease with Tenant is to keep the resource active and well-maintained until such time as the City is ready to proceed in earnest with the implementation of the Old Mint Restoration Project, should such a future action be approved. The City also intends to support, to the extent allowable under the terms of this Lease, history-related programming and cultural events at the Old Mint that are relevant to the building's future permanent use as a cultural center.

### 2.3. Accessibility Disclosures

(a) Tenant acknowledges that the United States Old Mint is over 140 years old and is a designated National Historic Landmark. California Civil Code Section 1938 requires commercial landlords to disclose to tenants whether the property being leased has undergone inspection by a Certified Access Specialist (“CASp”) to determine whether the property meets all applicable construction-related accessibility requirements

(b) 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.”

Landlord and Tenant agree that if Tenant desires to have the Premises inspected by a CASp, then (1) Tenant will cause the inspection to occur within thirty (30) days after the Effective Date; (2) the inspection will occur during business hours on a business day; (3) Tenant will give Landlord five (5) business days prior written notice of the inspection time and date; (4) Landlord may attend the inspection; (5) the inspection may not include any destructive testing or damage to the Premises or the Building; (6) Tenant will pay for all inspection costs (including fees for any reports prepared by the CASp (collectively, the “CASp Reports”). Tenant will deliver any CASp Reports to Landlord within three (3) business days after Tenant's receipt. Tenant, will be solely responsible at Tenant's cost for making improvements, alterations, modifications, and/or repairs to or within the Premises to correct violations of construction-related accessibility standards disclosed by the CASp inspection. If the CASp inspection identifies any improvements, alterations, modifications, and/or repairs necessary to correct violations of construction-related accessibility standards relating to items of the Building or the Project located outside the Premises that are Landlord's obligation to repair under this Lease, then Landlord will perform the improvements, alterations, modifications, and/or repairs as and to the extent required by applicable Laws, and Tenant will reimburse Landlord the cost of the improvements, alterations, modifications, and/or repairs within ten (10) business days after Tenant's receipt of an invoice from Landlord.

(c) Tenant acknowledges that before the execution of this Lease, City provided Tenant with, and Tenant signed, the Disability Access Obligations Notice described in Section 38.3 of the San Francisco Administrative Code. Tenant and City each agree to use reasonable efforts to notify the other party if making any Alterations that might impact accessibility to the Premises under any disability access Legal Requirements (as defined in Section 11.1 (Compliance with Legal Requirements)).

## 2.4. As Is Condition

TENANT ACKNOWLEDGES AND AGREES THAT THE PREMISES ARE BEING LEASED AND ACCEPTED IN THEIR “**AS IS**” CONDITION, WITHOUT REPRESENTATION OR WARRANTY OF ANY KIND, AND SUBJECT TO ALL APPLICABLE LEGAL REQUIREMENTS (AS DEFINED IN SECTION 11.1 (COMPLIANCE WITH LEGAL REQUIREMENTS) BELOW) GOVERNING THEIR USE, OCCUPANCY, AND POSSESSION. TENANT REPRESENTS AND WARRANTS TO CITY THAT TENANT HAS INVESTIGATED AND INSPECTED, EITHER INDEPENDENTLY OR THROUGH AGENTS OF TENANT’S OWN CHOOSING, THE CONDITION OF THE PREMISES AND THE SUITABILITY OF THE PREMISES FOR TENANT’S INTENDED USE. BASED SOLELY ON ITS OWN INVESTIGATION, TENANT HAS DETERMINED THAT THE PREMISES ARE SUITABLE FOR TENANT’S BUSINESS AND INTENDED USE. TENANT ACKNOWLEDGES AND AGREES THAT NEITHER CITY NOR ANY OF ITS AGENTS (AS DEFINED IN SECTION 28.5 (PARTIES AND THEIR AGENTS, APPROVALS) BELOW) HAVE MADE, AND CITY DISCLAIMS, ANY REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, CONCERNING THE RENTABLE AREA OF THE PREMISES, THE PHYSICAL OR ENVIRONMENTAL CONDITION OF THE PREMISES OR THE PROPERTY, THE PRESENT OR FUTURE SUITABILITY OF THE PREMISES FOR TENANT’S BUSINESS, OR ANY OTHER MATTER WHATSOEVER RELATING TO THE PREMISES, INCLUDING ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

## 2.5. Energy Consumption Disclosure

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

# 3. TERM

## 3.1. Lease Term

The Parties acknowledge that the Tenant currently occupies and is in possession of the Premises as a holdover tenant pursuant to the terms of that certain Lease entered into by and between City and Tenant, dated as of March 1, 2020 (“**Original Lease**”). This Lease shall supersede and replace the Original Lease in its entirety; provided, however, that Tenant’s obligations under the Original Lease intended to survive the expiration or earlier termination of the Original Lease shall continue to survive. The Premises are leased for a term (the “**Term**”) commencing on the latter of (a) the date that the Lease has been approved by the Board of Supervisors and the Mayor in their absolute and sole discretion and (b) the date the Lease has been executed by the Director of Property. The Term will end on the expiration date specified in the Basic Lease Information, unless sooner terminated as provided in this Lease. The Term may be extended by mutual agreement, as provided in Section 27.1 (Extension Option). Tenant takes the Premises in its existing as-is condition as provided above, with no obligation of City to make any improvements, repairs, or alterations except as otherwise specifically provided in this Lease.

## 3.2. Confirmation of Commencement Date and Expiration Date

The dates that the Term commences and terminates under this Lease are, respectively, the “**Commencement Date**” and the “**Expiration Date**.”



### 3.3. Old Mint Restoration Project Lease Termination

Notwithstanding any contrary provision contained herein, Tenant hereby acknowledges and agrees that should resources become available for the City to initiate the long term project discussed in Section 2.2, then City may elect to terminate this Lease without penalty by providing Tenant written notice of its intent to terminate. The notice shall provide a date that the Lease will terminate, which shall be one year from the date of the notice unless there is less than one year remaining in the Term of the Lease, and in such event terminate upon the Expiration Date, July 31<sup>st</sup>, 2029..

### 3.4. Reserved

## 4. RENT

### 4.1. Reserved

### 4.2. Reserved

### 4.3. Participation Rent.

(a) Tenant agrees to pay to City ten percent (10%) of the annual Gross Revenue (as defined below) received by Tenant ("**Participation Rent**"). Tenant shall pay no later than the last day of each calendar month, after reconciliation of the preceding calendar month, the Participation Rent accompanied by a Participation Rent Statement. Tenants have provided the City with annual revenue projections. Tenant will update these projections on a biannual basis and provide to City for reconciliation. For purposes of this Lease, "Gross Revenue" means the gross fees Tenant collects from third parties as payment for rental of the Premises, minus any revenue received by Tenant from the event sponsor that is not a true source of income but merely a pass-through cost from Tenant to the event sponsor including: Fire Permits, Fire Watch, Security, Tenting, Special Traffic Permit, Entertainment Commission Permit ("**Permitted Gross Revenue Deductions**"). In the event that Tenant does collect revenue in excess of actual costs ("**Markup**") for a Permitted Gross Revenue Deduction for a particular event sponsor, Gross Revenue shall include the amount of that Markup.

(b) Accounting. Within ninety (90) days following the end of each Lease Year, Tenant shall deliver to City a statement, whereby Tenant represents and warrants as true, correct and complete to the knowledge of the senior officer, member or partner of Tenant who is in the best position to know and has performed reasonable inquiry and diligence into such matters ("Tenant's Certification"), Tenant's calculation of Participation Rent for the preceding Lease Year (the "Participation Rent Statement"), together with appropriate backup documentation.

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

For purposes of this Section 4.3, "**Lease Year**" means calendar year.

#### 4.4. Additional Charges

Tenant will pay to City all charges and other amounts required under this Lease as additional rent, whether or not those amounts are specifically characterized as rent (collectively, “**Additional Charges**”). All Additional Charges will be payable to City at the same place and the same manner as the Participation Rent. City will have the same remedies for a default in the payment of any Additional Charges as for a default in the payment of Participation Rent. The term “**Rent**” means Participation Rent and Additional Charges.

#### 4.5. Late Charges

Each time Tenant fails to pay any Rent or any portion of Rent within five (5) days following the due date, the unpaid amount will be subject to a late payment charge equal to six percent (6%) of the unpaid amount. City and Tenant have agreed on the late payment charge, after negotiation, as a reasonable estimate of the additional administrative costs and detriment that City will incur resulting from Tenant’s failure to timely pay Rent, the actual costs being extremely difficult if not impossible to determine. Tenant will pay the late charge to City together with the unpaid amount.

#### 4.6. Default Interest

Any Rent, if not paid within five (5) days after the due date, will bear interest from the due date until paid the Prime Rate most recently announced by Bank of America, for the immediately preceding month, plus four percent (4%), which rate will automatically be reduced if it is higher than the rate an individual is permitted to legally charge (the “**Interest Rate**”). Interest will not be payable on late charges or on any amounts on which Tenant paid late charges to the extent this interest would cause the total interest to be more than lawfully permitted. Payment of interest will not excuse or cure any default by Tenant.

#### 4.7. Costs of Collection

In addition to any interest or late charges under Section 4.5 above, if Tenant fails to pay Rent in immediately available funds or by good check (if Tenant is permitted to pay by personal or business check), to the extent that the costs incurred by City because of Tenant’s failure exceed the late charges applicable to that failure, then Tenant will pay to City immediately upon demand as Additional Charges the amount of any fees, charges, or other costs incurred by City, including dishonored check fees, increased staff time, and any costs of collection.

### 5. USE

#### 5.1. Permitted Use

(a) **Permitted Uses.** Tenant will use and continuously occupy the Premises during the Term solely for the purpose of presenting community events, music concerts, theatrical events, cultural programming and entertainment performances, consumer events, trade shows, corporate meetings, social functions and special events, and for the uses, if any, as specified in the Basic Lease Information; provided, that the third floor of the Premises, not at this time legal for general occupancy, will be used as Tenant's offices (the “**Permitted Use**”), and for no other purpose. Notwithstanding the foregoing, Tenant may perform all acts reasonably and necessary in connection with the use, operation, development and maintenance of the Premises for the Permitted Uses, including, without limitation, the following: (i) the development and construction of improvements, temporary and permanent, as approved by the Director of Property and City and other regulatory agencies as further described below; (ii) the sale of food and beverages for onsite consumption; and (iii) the sale of merchandise related to the Permitted Uses. All uses shall be in accordance with and subject to the requirements of the Lease. Tenant

acknowledges that this prohibition on the change in use is expressly authorized by California Civil Code Section 1997.230 and is fully enforceable.

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

## **5.2. No Unlawful Uses, Nuisances or Waste**

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

## **5.3. Limitations on Uses**

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

## **5.4. Amplified Sound; Intellectual Property Rights**

Tenant acknowledges and agrees that if Tenant desires to use amplified sound at the Premises for an event, Tenant must apply for and obtain all required permits for use of amplified sound from City, acting in its regulatory capacity, if any, including the City's

Entertainment Commission. Further, Tenant shall be solely responsible for obtaining any necessary clearances or permissions from third parties for the use of intellectual property on the Premises with respect to its activities thereon, including, but not limited to, musical or other performance rights.

### **5.5. Indoor Advertising and Signs**

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

### **5.6. Vendors, Permittees, and Mobile Food Facilities**

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

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

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

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

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

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

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

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

#### **5.7. Approvals and Identification of Agents, Vendors, and Permittees**

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

#### **5.8. No Smoking**

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

#### **5.9. Prevailing Wages for Certain Uses**

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

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

subcontractor who maintains the records to provide to City) immediate access to all workers' time sheets, payroll records, and paychecks for inspection to the extent they relate to those services.

- The types of covered services related to a Show includes individuals engaged in theatrical or technical services, including rigging, sound, projection, theatrical lighting, videos, computers, draping, carpentry, special effects, and motion picture services.
- The types of covered services related to a Special Event includes individuals engaged in on-site installation, set-up, assembly, and dismantling of temporary exhibits, displays, booths, modular systems, signage, drapery, specialty furniture, floor coverings, and decorative materials in connection with trade shows, conventions, expositions, and other special events on City property.
- The types of covered services related to Broadcast Services includes individuals engaged in the electronic capture and/or live transmission of on-site video, digital, and/or video content for commercial purposes through the use of a remote production or satellite trust on-site, including any technical director, video controller, assistant director, and stage manager, and individuals engaged in audio, camera, capture and playback, graphics, and utility functions.

If Tenant has any questions about the applicability or implementation of the requirements of this Section, Tenant should contact the Office of Economic and Workforce Development (OEWD) in advance.

## 6. TENANT IMPROVEMENTS

### 6.1. Tenant Improvement Work

Tenant has provided City with the five-year Tenant Capital Improvement Projects Plan, attached hereto as **Exhibit C**. (the “**Tenant Improvement Work**”, and the plans and specifications are referred to as the “**Plans**”). Tenant is responsible, at no cost to City, for (a) performing the Tenant Improvement Work in accordance with the approved Plans and the standards contained in the approved Plans and (b) obtaining all permits and licenses required in connection with the Tenant Improvements. The Tenant Capital Improvement Projects Plan contemplates annual projects to be completed during the initial lease term. The Tenant Capital Improvement Projects Plan will be reviewed annually by Tenant and City with evidence of work completed by Tenant provided to City. Evidence will include all plans and permits, work orders, work completion dates, paid invoices, and any and all additional supporting documents. Tenant will ensure that the Tenant Improvement Work does not obstruct access to or through the Building/Common Area and that it does not interfere with City's business being conducted in the Building, other tenant's use of their premises, or with any other work being done in the Building. On completion of the Tenant Improvements, Tenant will provide City a copy of the final as-built plans and specifications. No approval by City or any of its Agents of the Plans, any changes, or of any Alterations under this Lease will be deemed to constitute approval of any federal, state, or local regulatory authority with jurisdiction over the Premises or Tenant's use of the Premises, and nothing in this Lease limits Tenant's obligation to obtain all needed regulatory approvals at no cost to City.

## 6.2. Local Hiring Requirements

(a) Any undefined, initially-capitalized term used in this Section has the meaning given to that term in San Francisco Administrative Code Section 23.62 (the “**Local Hiring Requirements**”). Tenant Improvements and Alterations (as defined in Section 7 (Tenant’s Alterations)) are subject to the Local Hiring Requirements unless the cost for the work is (i) estimated to be less than \$750,000 per building permit or (ii) meets any of the other exemptions in the Local Hiring Requirements. Tenant will comply with the Local Hiring Requirements to the extent applicable. Before starting any Tenant Improvement Work or any Alteration, Tenant will contact City’s Office of Economic Workforce and Development (“**OEWD**”) to verify if the Local Hiring Requirements apply to the work (i.e., whether the work is a “**Covered Project**”).

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

## 6.3. Prevailing Wages and Working Conditions

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

(b) Tenant will include, and will require its subtenants, and Contractors and Subcontractors (regardless of tier), to include in any Construction Contract the Prevailing Wage Requirements, with specific reference to San Francisco Administrative Code Section 23.61, and the agreement to cooperate in City enforcement actions. Each Construction Contract will name the City and County of San Francisco, affected workers, and employee organizations formally representing affected workers as third-party beneficiaries for the limited purpose of enforcing the Prevailing Wage Requirements, including the right to file charges and seek penalties against any Contractor or Subcontractor in accordance with San Francisco Administrative Code Section 23.61. Tenant’s failure to comply with its obligations under this Section will constitute a material breach of this Lease. A Contractor’s or Subcontractor’s failure to comply with this Section will enable City to seek the remedies specified in San Francisco Administrative Code Section 23.61 against

the breaching party. For the current Prevailing Rate of Wages, see [www.sfgov.org/olse](http://www.sfgov.org/olse) or call City's Office of Labor Standards Enforcement at 415-554-6235.

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

## 7. ALTERATIONS

### 7.1. Tenant's Alterations

(a) **General.** Tenant will not make or permit any alterations, installations, additions, or improvements, structural or otherwise (collectively, "**Alterations**") (i) in, to or about the Premises (ii) to the Building or (iii) to the heating, ventilating, air conditioning, plumbing, electrical, fire protection, life safety, security, and other mechanical, electrical, or communications systems of the Building ("**Building Systems**"), without City's prior written consent in each instance. All Alterations will be done at Tenant's expense in accordance with plans and specifications approved by City, only by duly licensed and bonded contractors or mechanics approved by City, and subject to any conditions that City may reasonably impose. With respect to any Alterations that would be visible from the exterior of the Building, Tenant will obtain the prior written approval of City's Arts Commission to the extent the Arts Commission has jurisdiction over the design of the proposed alterations under City's Charter Section 5.103. If the cost of any Alterations is in excess of Five Thousand Dollars (\$5,000), then Tenant will pay to City an administrative fee equal to ten percent (10%) of the total "hard" costs of the work to compensate City for its review costs.

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

(c) **Prevailing Wage and Local Hiring Requirements.** Tenant and its subtenants will comply with the applicable requirements of Section 6.2 (Local Hiring Requirements) and Section 6.3 (Prevailing Wages and Working Conditions) above in the performance of any Alterations.

(d) **Tenant's Improvements or Alterations that Disturb or Remove Lead-Based Paint.** Tenant, on behalf of itself and its Agents or Invitees, will comply with all requirements of the San Francisco Building Code, Section 3407, and all other Legal Requirements,



including the California and United States Occupational Health and Safety Acts and their implementing regulations, when the work of improvement or alteration disturbs or removes exterior lead-based or “presumed” lead-based paint (as defined below). Tenant and its Agents or Invitees (defined in Section 5.8 (Parties and Their Agents; Approvals) below) will give to City three (3) business days’ prior written notice of any disturbance or removal of exterior lead-based or presumed lead-based paint. Further, Tenant and its Agents or Invitees, when disturbing or removing exterior lead-based or presumed lead-based paint, may not use or cause to be used any of the following methods: **(i)** acetylene or propane burning and torching; **(ii)** scraping, sanding or grinding without containment barriers or a High Efficiency Particulate Air filter (“**HEPA**”) local vacuum exhaust tool; **(iii)** hydroblasting or high-pressure wash without containment barriers; **(iv)** abrasive blasting or sandblasting without containment barriers or a HEPA vacuum exhaust tool; and **(v)** heat guns operating above 1,100 degrees Fahrenheit. Paint on the exterior of buildings built before December 31, 1978, is presumed to be lead-based paint unless lead-based paint testing, as defined in Section 3407 of the San Francisco Building Code, demonstrates an absence of lead-based paint on the exterior surfaces of the buildings. Under this Section, lead-based paint is “disturbed or removed” if the work of improvement or alteration involves any action that creates friction, pressure, heat, or a chemical reaction on any lead-based or presumed lead-based paint on an exterior surface so as to abrade, loosen, penetrate, cut through, or eliminate paint from that surface. Notice to City under this Lease will not constitute notice to City’s Department of Building Inspection required under San Francisco Building Code Section 3407.

## **7.2. Title to Improvements**

Except for Tenant’s Personal Property (as described in the next section), or as may be specifically provided to the contrary in the approved Plans, all appurtenances, fixtures, improvements, equipment, additions, and other property attached or affixed to or installed in the Premises at the Commencement Date or during the Term, including the Tenant Improvements and any Alterations, will be and remain, City’s property. Tenant may not remove any City property at any time during or after the Term unless City so requests as further provided in Section 24**Error! Reference source not found.** (Surrender of Premises) below.

## **7.3. Tenant’s Personal Property**

All furniture, trade fixtures, office equipment, and articles of movable personal property installed in the Premises by or for the account of Tenant, without expense to City, and that can be removed without structural or other damage to the Premises (collectively, “**Tenant’s Personal Property**”) will be and remain, Tenant’s property. Tenant may remove its Personal Property at any time during the Term, subject to the provisions of Section **Error! Reference source not found.** (Surrender of Premises) below. Tenant will pay any taxes or other impositions levied or assessed on Tenant’s Personal Property, at least ten (10) days before delinquency, and, on request, deliver satisfactory evidence of that payment to City. Except for Tenant’s Personal Property, all fixtures, improvements, equipment, additions, and other property attached or affixed to or installed in the Premises during the Term, including, without limitation, the Tenant’s Improvements and any Alterations, shall be and remain City’s property.

## **7.4. City’s Alterations of the Building and Buildings Systems**

City reserves the right at any time to make alterations, additions, repairs, deletions, or improvements to the Common Areas or any other part of the Building or the Building Systems, provided that the alterations or additions do not materially adversely affect the functional utilization of the Premises for the Permitted Use.

## **8. REPAIRS AND MAINTENANCE**

### **8.1. Reserved**

### **8.2. Tenant's Repairs**

During the Lease Term, at no expense to City, Tenant will maintain (and replace, if necessary) the Premises (including the floors, interior plumbing, electrical wiring, fixtures, equipment, structural portions of the Building, including the Building Systems, the elevators, and the Common Areas) in good repair and working order and in a clean, secure, safe, and sanitary condition. City shall have no duty whatsoever for any maintenance of the Premises or any Tenant Improvements or facilities placed therein, except as agreed to between the parties in writing. Tenant shall bear all costs or expense of any kind or nature in connection with its use of the Premises. Tenant will promptly make all repairs and replacements: **(a)** at no cost to City, **(b)** by licensed contractors or qualified mechanics approved by City, **(c)** so that the repairs and replacements will be at least equal in quality, value, and utility to the original work or installation, **(d)** in a manner and using equipment and materials that will not interfere with or impair the operations, use, or occupation of the Building or the Building Systems, and **(e)** in accordance with any applicable Building Rules and Regulations (as defined in Section 22 (Rules and Regulations)) and all applicable Legal Requirements. If the cost of any those repairs or replacements is in excess of Five Thousand Dollars (\$5,000) in any instance and results from the acts or omissions of Tenant, its Agents, or Invitees, then Tenant will pay to City an administrative fee equal to ten percent (10%) of the total "hard" costs of the work. Tenant hereby waives all rights to make repairs at City's expense under Sections 1941 and 1942 of the California Civil Code or under any similar Legal Requirements. Tenant will give to City at least fifteen (15) days' prior written notice of commencement of any repair, replacement, or construction on the Premises. Replacements costing over \$5,000 will be considered an Alteration and Article 7 above will apply.

Tenant shall also be responsible for the permitting, maintenance, and repair of all elevators, fire, life and safety equipment and systems within the Premises. Tenant shall provide a copy of the yearly inspection reports and any omission reports within five (5) business days of receipt. Tenant shall provide oral reports to City's designated building engineers when requested and a six-month written summary of all police and fire calls to the Premises.

### **8.3. Exercise of Due Care**

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

### **8.4. Cooperation with City Personnel**

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

pursuant to this Section. Construction sites shall be screened with temporary fencing where possible to reduce visual impact.

#### **8.5. Security**

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

#### **8.6. Supplies and Utilities**

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

### **9. LIENS AND ENCUMBRANCES**

#### **9.1. Liens**

Tenant will keep the Premises and the rest of the Property free from any liens arising out of any work performed, material furnished, or obligations incurred by or for Tenant. If, within five (5) days after the imposition of any lien, Tenant does not cause the lien to be released of record by payment or posting a bond, then, in addition to all other remedies, City may, but is not obligated to, cause the lien to be released in any way it deems proper, including payment of the claim giving rise to the lien. All sums paid by City and all expenses incurred by it in connection with releasing the lien (including reasonable attorneys' fees) will be payable by Tenant to City on demand. City may post on the Premises any notices that City may deem proper for the protection of City, the Premises, and the Building from mechanics' and material supplier's liens. Tenant will indemnify, defend, and hold City and its Agents harmless from and against any claims for mechanic's, material supplier's, or other liens in connection with any Alterations, repairs, or construction on the Premises, or materials furnished or obligations incurred by or for Tenant.

#### **9.2. Encumbrances**

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

### **10. UTILITIES AND SERVICES**

#### **10.1. Utilities and Services**

At no cost to City, Tenant will be responsible for furnishing any utilities or services that Tenant may need for its use of the Premises during the Term and for all events, including water, sewer, electricity, trash and recycling removal, subject to the terms and conditions contained therein. Tenant shall not use, borrow, and/or take any of City's utilities without the written approval from the Director of Property or their designee. Tenant may install certain temporary and removable facilities and improvements, such as movable tents, canopies, chairs, lights,

speakers, and tables, in the Premises during the Term. Immediately following the Term, Tenant shall remove all debris and facilities.

At no time may Tenant install, or contract with a cellular company or other entity to install, a cellular communications system, tower, or antenna inside or outside of the Building. Water and Energy Conservation; Mandatory or Voluntary Restrictions

If any Legal Requirements impose mandatory or voluntary controls on City or any part of the Property relating to the use or conservation of energy, water, gas, light, or electricity or the reduction of automobile or other emissions, or the provision of any other utility or service provided with respect to this Lease, or if City is required or elects to make alterations to any part of the Building to comply with mandatory or voluntary controls or guidelines, then that compliance and making of any related alterations will not entitle Tenant to any damages, relieve Tenant of the obligation to pay the full Rent or to perform each of its other covenants under the Lease, or constitute or be construed as a constructive or other eviction of Tenant. At any time, City may install a water meter in the Premises or to otherwise measure the amount of water consumed on the Premises, and Tenant will pay for the cost of the meter or other means of measurement and its installation and maintenance.

#### **10.2. Excess Use**

If Tenant requires any utilities or services to be provided by City in excess of the Standard Utilities and Services for the Premises, Tenant will first procure City's written consent, which City may give, condition, or withhold in its sole discretion. If City consents, then Tenant will pay to City, as Additional Charges, the cost of the excess usage. City's failure to bill Tenant for excess utilities or services will not impair City's right to bill Tenant for the costs at a later date. Without limiting the foregoing, Tenant will not: **(a)** connect or use any apparatus, device, or equipment that will require a dedicated circuit or that will impair the proper functioning or capacity of the Building Systems; or **(b)** connect any apparatus, device, or equipment through electrical outlets except in the manner the outlets are designed and without the use of any device intended to increase the plug capacity of any electrical outlet (such as power strips); or **(c)** maintain at any time an electrical demand load over any amount specified in the Rules and Regulations. If, at any time, City has reason to believe that Tenant may be using any utility or service in excess of the amount allowed to the Premises under the Standard Building Utilities or Services, City may install a separate meter in the Premises or to take other appropriate steps to measure the amount of utility or service used in the Premises, and Tenant will pay for the cost of the meter or other means of measurements, and its installation and maintenance.

#### **10.3. Floor Load**

Tenant will not place or install in the Premises any equipment that weighs more than the normal load-bearing capacity of the floors of the Building without City's prior written consent, which City may give, condition, or refuse in its sole discretion. If City consents to the placement or installation of any overweight equipment in the Premises, Tenant will reinforce the floor of the Premises, at no cost to City, under plans and specifications approved by City and otherwise in compliance with Section 7.1 (Tenant's Alterations), to the extent necessary to assure that no damage to the Premises or the Building or weakening of any structural supports will occur because of Tenant's overweight equipment.

#### **10.4. Interruption of Services**

City's obligation to provide utilities and services for the Premises are subject to the Rules and Regulations of the Building, applicable Legal Requirements (including the rules or actions of

the public utility company furnishing the utility or service), and shutdowns for maintenance and repairs, for security purposes, or because of acts of nature, accidents, epidemics and related governmental orders and requirements, repairs, strikes, lockouts, other labor disputes, protests, riots, demonstrations, inability to obtain utilities or materials, or other causes beyond City's control. In the event of an interruption in, or failure or inability to provide any service or utility for the Premises for any reason, then the interruption, failure, or inability will not constitute an eviction of Tenant, constructive or otherwise, or impose on City any liability whatsoever, including liability for consequential damages or loss of business by Tenant; but if the interruption, failure, or inability impairs Tenant's ability to carry on its business in the Premises for a period of thirty (30) or more consecutive days, then Tenant will have the right, as Tenant's sole remedy, to abate the Rent in an amount calculated by City based on the extent the interruption, failure, or inability impairs Tenant's ability to carry on its business in the Premises. Tenant hereby waives the provisions of California Civil Code Section 1932(1) or any other applicable Legal Requirements permitting the termination of this Lease due to the interruption, failure, or inability.

### **10.5. Capital Improvements**

Tenant will reimburse City for its pro rata share of the reasonable cost of any capital improvements made to the Building as a labor-saving or energy saving device or to effect other economies in the operation or maintenance of the Building, or made to the Building after the date of this Lease that are required under any Legal Requirement that was not applicable to the Building at the time that permits for the construction were obtained. The cost will be amortized over a reasonable period as determined by City, together with interest on the unamortized balance at the rate of ten percent (10%) per annum.

## **11. COMPLIANCE WITH LEGAL REQUIREMENTS AND RISK MANAGEMENT REQUIREMENTS**

### **11.1. Compliance with Legal Requirements**

At no cost to City, Tenant will promptly comply with all present or future federal, state, local, and administrative laws, ordinance, resolution, regulation, requirement, proclamation, order, or decree of any municipal, county, state, or federal government or other governmental or regulatory authority, board of fire underwriters, or any directive or occupancy certificate issued under any law by any public officer or officers acting in their regulatory capacity (now or later in effect, collectively "**Legal Requirements**") relating to the Premises or the Property or the use or occupancy of the Premises and with any and all recorded covenants, conditions, and restrictions affecting all or any portion of the Property, whether in effect at the time of the execution of this Lease or adopted or recorded at any time later and whether or not they were considered by the parties in negotiating this Lease. It is Tenant's obligation, at no cost to City, to cause the Premises and Tenant's uses thereof to be conducted in compliance with the Americans With Disabilities Act, 42 U.S.C. Section 12101 et seq. and any other applicable disability access Legal Requirements. Tenant will not be required to make any structural Alterations in order to comply with disability access Legal Requirements unless the Alterations are required, in whole or in part, directly or indirectly, by the Tenant Improvements or any other Alterations, Tenant's use of the Premises, or any act or omission of Tenant, its Agents, or Invitees. Any Alteration made by or on behalf of Tenant under the provisions of this Section will comply with the provisions of Section 8.2 (Tenant's Repairs) above. Tenant's obligation to comply with all Legal Requirements is a material

part of the bargained-for consideration under this Lease. Tenant's obligation under this Section includes its responsibility to make substantial or structural repairs and Alterations to the Premises (including any of the Tenant Improvements or any of Tenant's Alterations), regardless of, among other factors, the relationship of the cost of curative action to the Rent under this Lease, the length of the then remaining Term, the relative benefit of the repairs to Tenant or City, the degree to which the curative action may interfere with Tenant's use or enjoyment of the Premises, the likelihood that the parties contemplated the particular Legal Requirements involved, and whether the Legal Requirements involved are related to Tenant's particular use of the Premises.

### **11.2. Regulatory Approvals**

**(a) Responsible Party.** Tenant's use of the Premises and construction of the Tenant Improvements permitted hereunder may require authorizations, approvals, or permits from governmental regulatory agencies with jurisdiction over the Premises, including City agencies. Tenant is solely responsible for obtaining all regulatory approvals. Tenant may not seek any regulatory approval without first obtaining City's written consent. Tenant will bear all costs associated with applying for and obtaining any regulatory approval and is solely responsible for satisfying any and all conditions imposed by regulatory agencies as part of a regulatory approval; provided, however, any condition that could affect use or occupancy of the Property or City's interest in the Property will first be approved by City in its sole discretion. Tenant will immediately pay and discharge any fines or penalties levied as a result of Tenant's failure to comply with the terms and conditions of any regulatory approval, and City will have no liability, monetary or otherwise, for any fines or penalties. Tenant will Indemnify City and the other Indemnified Parties (defined in Section 18.2 (Tenant's Indemnity) below) against all Claims arising in connection with Tenant's failure to obtain or failure by Tenant, its Agents, or its Invitees to comply with the terms and conditions of any regulatory approval.

**(b) City Acting as Owner of Real Property.** Tenant understands and agrees that City is entering into this Lease in its capacity as a property owner with a proprietary interest in the Premises and not as a regulatory agency with police powers. Nothing in this Lease will limit in any way Tenant's obligation to obtain any required approvals from City officials, departments, boards, agencies, commissions, or other body having jurisdiction over the Premises. By entering into this Lease, City is not modifying or limiting Tenant's obligation to cause the Premises to be used and occupied in accordance with all applicable Legal Requirements.

### **11.3. Compliance with City's Risk Management Requirements**

Tenant will not do anything, or permit anything to be done, in or about the Premises that would be prohibited by or increase rates under a standard form fire insurance policy or subject City to potential premises liability. At no cost to City, Tenant will faithfully observe any and all requirements of City's Risk Manager with respect to Tenant's use and occupancy of the Premises.

## **12. SUBORDINATION**

This Lease is and will be subordinate to any reciprocal easement agreement, ground lease, facilities lease, or other underlying lease and the lien of any mortgage or deed of trust and all renewals, modifications, consolidations, replacements, and extensions of any of the foregoing, that may now exist or later be executed by City affecting the Property or City's interest in the Property, without the necessity of executing any instrument to effectuate the subordination; provided, however, upon City's request, Tenant or Tenant's successor-in-interest, shall execute and deliver any and all instruments desired by City evidencing such subordination in the manner requested by City. Notwithstanding the foregoing, City or the holder will, in its respective discretion, may elect

not to subordinate those interests to this Lease. If any ground lease or underlying lease terminates for any reason or any mortgage or deed of trust is foreclosed or a conveyance in lieu of foreclosure is made for any reason, Tenant will attorn to City's successor-in-interest, if desired by the successor-in-interest. The provisions of this Section are self-operative and no further instrument will be required. On City's demand, however, Tenant will execute and deliver any additional documents in the form requested by City evidencing the priority or subordination of this Lease.

### **13. INABILITY TO PERFORM**

No actual or constructive eviction, in whole or in part, will entitle Tenant to any abatement or reduction of Rent or relieve Tenant from any of its obligations under this Lease. If City is unable to perform or is delayed in performing any of City's obligations under this Lease by reason of acts of nature, accidents, epidemics and related governmental orders and requirements, repairs, strikes, lockouts, other labor disputes, protests, riots, demonstrations, inability to obtain utilities or materials, or by any other reason beyond City's reasonable control, then that inability or delay will not constitute an eviction under this Lease, or impose any liability on City or its Agents because of the inconvenience, annoyance, interruption, injury, or loss to or interference with Tenant's business or use and occupancy or quiet enjoyment of the Premises or any other loss or damage due to City's inability or delay. Tenant waives and releases any right to terminate this Lease under Section 1932, subdivision 1 of the California Civil Code or any similar Legal Requirements.

### **14. DAMAGE AND DESTRUCTION**

#### **14.1. Damage and Destruction**

(a) If the Premises or the Building is damaged by fire or other casualty, then City will repair the damage if (i) City does not elect to terminate the Lease (which City may do by giving written notice to Tenant of its election to do so within thirty (30) days after the date of the damage) and (ii) that funds for the repairs are appropriated by City's Board of Supervisors, in its sole discretion, for that purpose, and (iii) City determines that the repairs can be made within two hundred ten (210) days after the date of the damage (the "**Repair Period**"). If those conditions are satisfied, this Lease will remain in full force and effect and, unless the damage was caused by Tenant's default of its obligations under this Lease, City will not require payment of the Participation Rent between the date of the damage and the date the repairs are substantially completed based on the extent that the damage and the repairs materially interfere with Tenant's Permitted Use of the Premises.

(b) If City does not initially elect to terminate this Lease, City will use reasonable efforts to notify Tenant within ninety (90) days after the date of the damage whether or not the repairs can be made within the Repair Period, and City's determination will be binding on Tenant. If the repairs cannot be made within the Repair Period, City will have the option to notify Tenant of: (i) City's intention to repair the damage and diligently prosecute the repairs to completion within a reasonable period after the Repair Period, subject to the Board of Supervisor's appropriation of all necessary funds, in which case this Lease will continue in full force and effect and the Participation Rent will be abated as provided in subsection 14.1(a) above; or (ii) City's election to terminate this Lease as of the date specified in the notice, which date may not be less than thirty (30) or more than sixty (60) days after City gives the notice. In addition, if the Premises or the Building is substantially damaged or destroyed and City intends to rebuild for public purposes inconsistent with this Lease, then City may terminate this Lease on written notice to Tenant. If City terminates this Lease, then the Participation Rent will be abated as provided in

subsection 14.1(a) above, and Tenant will not pay Participation Rent between the date of the damage and the termination date.

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

(d) Notwithstanding anything to the contrary in this Lease, City will have no obligation to repair the Premises or the Building if the damage or destruction is attributable to any act or omission of Tenant, its Agents, or Invitees. City will never be required to repair any damage to Tenant's Personal Property or any paneling, decorations, railings, floor coverings, or any Tenant Improvements or Alterations installed or made on the Premises by or at the expense of Tenant.

#### **14.2. Waiver**

City and Tenant intend that this Section fully governs if there is any damage or destruction and accordingly, City and Tenant each waives the provisions of Section 1932, subdivision 2, Section 1933, subdivision 4 and Sections 1941 and 1942 of the Civil Code of California or under any similar Legal Requirements.

### **15. EMINENT DOMAIN**

#### **15.1. Definitions**

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

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

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

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

#### **15.2. General**

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



### **15.3. Total Taking; Automatic Termination**

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

### **15.4. Partial Taking; Election to Terminate**

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

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

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

### **15.5. Termination of Lease; Rent and Award**

On termination of this Lease in its entirety under 15.3 (Total Taking; Automatic Termination), or under an election under Section Error! Reference source not found. (Partial Taking, Election to Terminate) above, then: (a) Tenant's obligation to pay Rent will continue only up to date of termination, and (b) City will be entitled to the entire Award (including any portion of the Award made for the value of the leasehold estate created by this Lease and any Improvements Pertaining to the Realty). Tenant will have no claim against City for the value of any unexpired Term, but Tenant may make a separate claim with the condemner for Tenant's relocation expenses or the interruption of or damage to Tenant's business, or damage to movable Tenant's Personal Property, and Tenant will be entitled to that separate Award.

### **15.6. 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 15.4 (Partial Taking; Election to Terminate), then this Lease will terminate as to the portion of the Premises taken, but will remain in full force and effect as to the portion not taken, and the rights and obligations of the parties will be as follows: (a) Participation Rent will be reduced by an amount that is in the same ratio to the Participation Rent as the area of the Premises taken bears to the area of the Premises before the Date of Taking; provided, that in no event will the monthly Participation Rent be reduced to less than seventy-five percent (75%) of the monthly Participation Rent immediately before the Date of Taking, and (b) City will be entitled to the entire Award (including any portion of the Award made for the value of the leasehold estate created by this Lease). Tenant will have no claim against City for the value of any unexpired Term, but Tenant may make a separate claim with the condemner for Tenant's relocation expenses or the interruption of or damage to Tenant's business, or damage to movable Tenant's Personal Property, and Tenant will be entitled to that separate Award.

### 15.7. Temporary Takings

Notwithstanding anything to contrary in this Section, if there is a Taking of all or any part of the Premises for less than one hundred eighty (180) consecutive days, then **(a)** this Lease will not be affected by the temporary Taking; **(b)** Tenant will continue to pay Rent and perform all of the terms, conditions, and covenants of this Lease; **(c)** Tenant will be entitled to receive that portion of any Award for the use or occupancy of the Premises up to the total Rent owing by Tenant for the period of the Taking; and **(d)** City will be entitled to receive the balance, if any, of the Award.

## 16. ASSIGNMENT AND SUBLETTING

### 16.1. Restriction on Assignment and Subletting

Tenant may not directly or indirectly (including by merger, acquisition, or other transfer of any controlling interest in Tenant), voluntarily or by operation of law, sell, assign, encumber, pledge, or otherwise transfer any part of its interest in or rights with respect to the Premises or its leasehold estate hereunder (collectively, an “**Assignment**”), or permit or license any portion of the Premises to be used or occupied by anyone other than itself, or sublet any portion of the Premises (collectively, “**Sublease**”), without City’s prior written consent in each instance, as provided below. Notwithstanding the foregoing, Tenant may Assign this Lease or Sublet any or all portions of the Premises to any Tenant’s Affiliate (as defined below) without obtaining City’s consent by giving City written notice of its intent thereof at least fifteen (15) business days before the proposed effective date of the transfer. As used in this Section, the term “**Tenant’s Affiliate**” means any of the following: **(a)** any person or entity owning, directly or indirectly, fifty percent (50%) or more of the ownership interests of Tenant (an “**Owning Person**”), **(b)** any entity, fifty percent (50%) or more of the ownership interests of which are owned, directly or indirectly, by any Owning Person, **(c)** any entity, fifty percent (50%) or more of the ownership interests of which are owned, directly or indirectly, by Tenant. Tenant will provide any Assignment and Sublease documents (whether City’s consent is required or not) to the City Assessor-Recorder within sixty (60) days of execution of such document, as provided in Section 29.2 below.

### 16.2. Notice of Proposed Transfer

If Tenant desires to enter into an Assignment or a Sublease, it will give written notice (a “**Notice of Proposed Transfer**”) to City of its intention to do so. The Notice of Proposed Transfer will identify the proposed transferee and state the terms and conditions of the proposed Assignment or Sublease. Tenant will deliver to City with its request for City’s consent, the proposed Assignment or Sublease and current financial statements of the proposed Transferee, prepared by an independent certified public accountant, and promptly on City’s request, any additional documents or information reasonably related to the proposed transaction or Transferee.

### 16.3. City’s Response

**(a)** Within twenty (20) business days after City’s receipt of the Notice of Proposed Transfer (the “**Response Period**”), by written notice to Tenant, City may elect to: **(i)** sublease the portion of the Premises specified in the Notice of Proposed Transfer on the terms and conditions set forth in the notice, except as otherwise provided in Section **Error! Reference source not found.** (City Sublease or Recapture Space) (a “**City Sublease**”), or **(ii)** terminate this Lease as to the portion of the Premises that is specified in the Notice of Proposed Transfer, with a proportionate reduction in Participation Rent (a “**Recapture**”).

(b) If City declines to exercise either of its options under subsection (a) above, then Tenant will have ninety (90) days following the earlier of (i) City's notice that it will not elect either option or (ii) the expiration of the Response Period, to enter into the Assignment or Sublease, subject to City's prior written approval of the proposed assignee or subtenant (in either case, a "Transferee") and the terms and conditions of the proposed Sublease or Assignment. One Hundred percent (100%) of any rent or other consideration realized by Tenant under any Assignment or Sublease in excess of the Participation Rent and Additional Charges (or the amount proportionate to the portion of the Premises subject to a Sublease) will be paid to City, after Tenant has recovered any reasonable brokers' commissions and the reasonable cost of any leasehold improvements that Tenant has incurred in connection with the Sublease or Assignment. Tenant will provide City with any information regarding the proposed Transferee and the Assignment or Sublease as City may reasonably request. City will not unreasonably withhold its approval of any proposed Transferee. If Tenant does not enter into the Assignment or Sublease within ninety (90) days after the earlier of the events described in clauses (i) or (ii) above, then Tenant will submit a new Notice of Proposed Transfer for any Assignment or Sublease.

(c) If, after City declines to exercise any of the options under subsection (a) above, Tenant desires to enter into an Assignment or a Sublease (i) on terms and conditions materially more favorable to Tenant than those contained in the Notice of Proposed Transfer or (ii) with a Transferee that is currently a tenant or other occupant of the Building, then Tenant will give City a new Notice of Proposed Transfer, which notice will state the terms and conditions of the Assignment or Sublease and identify the proposed Transferee, and City will again be entitled to elect one of the options provided in subsection (a) at any time within twenty (20) business days after City's receipt of the new Notice of Proposed Transfer.

(d) If City elects either of the options provided in subsection (a), City may enter into a lease, sublease, or assignment agreement for the Premises (or portion specified in the Notice of Proposed Transfer) with any party, including the proposed Transferee identified in Tenant's notice.

(e) Notwithstanding the foregoing, if any Event of Default by Tenant has occurred and is continuing at the time of Tenant's Notice of Proposed Transfer (or if any event occurs that, with the giving of notice or the passage of time or both, would constitute an Event of Default), then City may elect by notice to Tenant to refuse to consent to Tenant's proposed Transfer and pursue any of its right or remedies or at law or in equity.

#### **16.4. City Sublease or Recapture Space**

If City elects to Sublease or Recapture from Tenant as described in Section 16.2 (City's Response), then the following apply:

(a) In the case of a City Sublease, (i) City may use the portion of the Premises covered by the Notice of Proposed Transfer (the "**City Sublease Space**") for any legal purpose, (ii) the rent payable by City to Tenant will be the lesser of (A) the amount in the Notice of Proposed Transfer or (B) the Participation Rent payable by Tenant under this Lease at the time of the City Sublease (or, if the City Sublease is for less than the entire Premises, the amount proportionate to the City Sublease Space), (iii) City may make alterations and improvements to the City Sublease Space and may remove any alterations or improvements, in whole or in part, before or on the expiration of the City Sublease, provided that City will repair any damage or injury to the City Sublease Space caused by that removal, (iv) City will have the right to further sublease or assign the City Sublease Space to any party, without Tenant's consent, and (v) Tenant will pay to City on

demand any costs incurred by City in physically separating the City Sublease Space (if less than the entire Premises) from the balance of the Premises and in complying with any applicable Legal Requirements or regulations relating to the separation.

(b) In the case of Recapture, (i) the portion of the Premises subject to the Recapture (the “**Recapture Space**”) will be deleted from the Premises for all purposes under this Lease, and Tenant and City will be relieved of all their rights and obligations under this Lease with respect to the Recapture Space, unless those rights and obligations expressly survive the Expiration Date or other termination of this Lease, and (ii) City will pay any cost incurred in physically separating the Recapture Space (if less than the entire Premises) from the balance of the Premises and in complying with any applicable Legal Requirements relating to the separation.

#### **16.5. Effect of Sublease or Assignment**

No Sublease or Assignment by Tenant or any consent by City will relieve Tenant, or any guarantor, of any obligation to be performed by Tenant under this Lease. Any Sublease or Assignment not in compliance with this Section will be void and, at City’s option, will constitute a material default by Tenant under this Lease. City’s acceptance of any Participation or other payments from a proposed Transferee will not constitute City’s consent to any Sublease or Assignment or a recognition of any Transferee, or City’s waiver of any failure of Tenant or other transferor to comply with this Section. If there is an Assignment or Sublease, whether in violation of or in compliance with this Section, and a Transferee or any successor of Tenant defaults in the performance or observance of any of the terms of this Lease or any Sublease or Assignment agreement, City may proceed directly against Tenant without the necessity of exhausting remedies against the Transferee or successor.

#### **16.6. Assumption by Transferee**

Each Transferee (other than City) will assume all obligations of Tenant under this Lease and will be liable jointly and severally with Tenant for the payment of the Rent, and for the performance of all of Tenant’s obligations under this Lease. No Assignment will be binding on City unless Tenant or Transferee has delivered to City a counterpart of the Assignment and an instrument in recordable form that contains a covenant of assumption by the Transferee satisfactory in form and substance to City. Transferee’s failure or refusal under an Assignment to execute the instrument of assumption, however, will not release the Transferee from its liability under this Lease, as set forth above. Tenant will reimburse City on demand for any reasonable costs that may be incurred by City in connection with any proposed Sublease or Assignment, including the costs of making investigations as to the acceptability of the proposed Transferee and legal costs incurred in connection with the granting of any requested consent.

#### **16.7. Indemnity for Relocation Benefits**

Without limiting Section 16.5 (Assumption by Transferee) above, Tenant will cause any Transferee to expressly waive entitlement to any and all relocation assistance and benefits in connection with this Lease. Tenant will Indemnify City for any and all Claims (as defined in Section 18.2 (Tenant’s Indemnity)) arising out of any relocation assistance or benefits payable to any Transferee. Tenant’s obligation to Indemnify City will survive the expiration or termination of this Lease and any Assignment or Sublease.

## 17. DEFAULT; REMEDIES

### 17.1. Events of Default

Any of the following will constitute an event of default (the “**Event of Default**”) by Tenant under this Lease:

(a) a failure to pay Participation Rent or Additional Charges when due that continues for three (3) days after the date of City’s written notice, but City will not be required to provide notice more than twice during any twelve (12)-month period, and any failure by Tenant after Tenant has received two (2) notices in a twelve (12)-month period will constitute an Event of Default by Tenant under this Lease without any further notice from City or opportunity for Tenant to cure except as may be required by Section 1161 of the California Code of Civil Procedure;

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

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

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

### 17.2. Remedies

On the occurrence of an Event of Default City will have the following remedies, which are not exclusive but are cumulative and in addition to any other remedies now or later allowed by law or in equity:

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

(b) On a written termination of Tenant’s right to possession of the Premises, this Lease will terminate and City will be entitled to recover damages from Tenant as provided in

California Civil Code Section 1951.2 or any other applicable existing or future Legal Requirement providing for recovery of damages for a breach, including the following:

- (i) The reasonable cost of recovering the Premises; plus
- (ii) The reasonable cost of removing Tenant's Alterations, trade fixtures, and improvements; plus
- (iii) All unpaid Rent due or earned under this Lease before the date of termination, less the proceeds of any reletting or any rental received from subtenants before the date of termination, together with interest at the Interest Rate, on those amounts from the date the Rent is due and payable until the date of the award of damages; plus
- (iv) The amount by which the Rent which would be payable by Tenant under this Lease, as reasonably estimated by City, from the date of termination until the date of the award of damages, exceeds the amount of the rental loss that Tenant proves could have been reasonably avoided, together with interest at the Interest Rate on those amounts from the date the Rent is due and payable until the date of the award of damages; plus
- (v) The amount by which the Rent which would be payable by Tenant under this Lease, as reasonably estimated by City, for the remainder of the Term, after the date of the award of damages exceeds the amount the rental loss that Tenant proves could have been reasonably avoided, discounted at the discount rate published by the Federal Reserve bank of San Francisco for member banks at the time of the award plus one percent (1%); plus
- (vi) Other amounts in addition to or in lieu of the foregoing as may be permitted from time to time by applicable Legal Requirements, including any other amount necessary to compensate City for all the detriment proximately caused by Tenant's failure to perform its obligations under this Lease that, in the ordinary course of things, would be likely to result therefrom.

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

(d) During the continuance of an Event of Default, for so long as City does not terminate Tenant's right to possession of the Premises and subject to Section 16 (Assignment and

Subletting) and the rights granted to City under that Section, City will not unreasonably withhold its consent to an Assignment or Sublease of Tenant's interest in the Premises or in this Lease.

(e) During the continuance of an Event of Default, City may enter the Premises without terminating this Lease and remove all Tenant's Personal Property, Alterations, and trade fixtures from the Premises and store them at Tenant's risk and expense. If City removes Tenant's Personal Property, Alterations, and trade fixtures from the Premises and stores it at Tenant's risk and expense, and if Tenant fails to pay the cost of the removal and storage after written demand and/or to pay any Rent then due, then, after the property has been stored for a period of thirty (30) days or more, City may sell it at public or private sale, in the manner and at the times and places as City deems commercially reasonable following reasonable notice to Tenant of the time and place of the sale. The sale proceeds will be applied first to the payment of the expenses for removal and storage of the property, the preparation for and conducting of the sale, and for attorneys' fees and other legal expenses incurred by City, and the balance will be applied as provided in Section 16. (b) above. Tenant waives all claims for damages that may be caused by City's reentering and taking possession of the Premises or removing and storing Tenant's Personal Property under this Section 16, and Tenant will Indemnify City for all Claims resulting from City's reentering and taking possession of the Premises or removing and storing Tenant's Personal Property. No reentry by City will constitute or be construed as a forcible entry by City.

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

(g) City may cure the Event of Default at Tenant's expense, it being understood that City's cure will not waive or cure the Event of Default. If City pays any sum or incurs any expense in curing the Event of Default, Tenant will reimburse City on demand for the amount of the payment or expense with interest at the Interest Rate from the date the sum is paid or the expense is incurred until City is reimbursed by Tenant.

### **17.3. Waiver of Redemption**

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

### **17.4. City's Right to Cure Tenant's Defaults**

If Tenant defaults in the performance of any of its obligations under this Lease, then, at City's sole option, City may remedy the default for Tenant's account and at Tenant's expense by providing Tenant with three (3) days' prior written or oral notice of City's intention to cure the default (except that no prior notice will be required in the event of an emergency as determined by City). No City action to cure Tenant's default will be construed as a waiver of Tenant's default or any of City's rights or remedies, and nothing in this Section implies any duty on City to do any act that Tenant is obligated to perform. Tenant will pay to City on demand, as Additional Charges, all costs, damages, expenses, or liabilities incurred by City, including reasonable attorneys' fees, in remedying or attempting to remedy the default. Tenant's obligations under this Section will survive the expiration or termination of this Lease.

## **18. WAIVER OF CLAIMS; INDEMNIFICATION**

### **18.1. Limitation on City's Liability; Waiver of Claims**

City will not be responsible for or liable to Tenant, and Tenant hereby assumes the risk of, and waives and releases City and its Agents from all Claims for any injury, loss, or damage to any person or property in or about the Premises by or from any cause whatsoever including: **(a)** any act or omission of persons occupying adjoining premises or any part of the Building adjacent to or connected with the Premises; **(b)** theft; **(c)** explosion, fire, steam, oil, electricity, water, gas, rain, pollution, or contamination; **(d)** stopped, leaking, or defective Building Systems; **(e)** Building defects; and **(f)** any other acts, omissions, or causes. Nothing in this Section will relieve City from liability caused solely and directly by the active gross negligence or willful misconduct of City or its Agents, but City will not be liable under any circumstances for any consequential, incidental, or punitive damages.

### **18.2. Tenant's Indemnity**

Tenant, on behalf of itself and its successors and assigns, will indemnify, defend, and hold harmless ("**Indemnify**") City, including all of its boards, commissions, departments, agencies, and other subdivisions, and all of its and their Agents, and their respective heirs, legal representatives, successors, and assigns (individually and collectively, the "**Indemnified Parties**"), and each of them, from and against all liabilities, losses, costs, claims, judgments, settlements, damages, liens, fines, penalties, and expenses, including direct and vicarious liability of every kind (collectively, "**Claims**"), incurred in connection with or arising in whole or in part from: **(a)** any accident, injury to or death of a person (including Tenant's employees), or loss of or damage to property, howsoever or by whomsoever caused, occurring in or about the Premises; **(b)** any default by Tenant in the observation or performance of any of the terms, covenants, or conditions of this Lease to be observed or performed on Tenant's part; **(c)** the use or occupancy or manner of use or occupancy of the Premises by Tenant, its Agents, its Invitees, or any person or entity claiming through or under any of them; **(d)** the condition of the Premises; **(e)** any construction or other work undertaken by Tenant on the Premises whether before or during the Term; or **(f)** any acts, omissions, or negligence of Tenant, its Agents, or its Invitees, in, on, or about the Premises or the Property, all regardless of the active or passive negligence of, and regardless of whether liability without fault is imposed or sought to be imposed on, the Indemnified Parties, except to the extent that the Indemnity is void or otherwise unenforceable under applicable Legal Requirements and further except only those Claims as are caused exclusively by the willful misconduct or active gross negligence of the Indemnified Parties. The foregoing Indemnity includes reasonable fees of attorneys, consultants, and experts and related costs and City's costs of investigating any Claim. Tenant expressly acknowledges that Tenant has an immediate and independent obligation to defend City from any Claim that actually or potentially falls within this indemnity provision even if the allegation is or may be groundless, fraudulent, or false, which obligation arises at the time the Claim is tendered to Tenant by City and continues at all times thereafter. Tenant's obligations under this Section will survive the expiration or termination of this Lease.

## **19. INSURANCE**

### **19.1. Tenant's Insurance**

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

**(i)** Commercial general liability insurance with limits not less than Two Million Dollars (\$2,000,000) each occurrence combined single limit for bodily injury and property



damage, including contractual liability, independent contractors, broad-form property damage, fire damage legal liability (of not less than Fifty Thousand Dollars (\$50,000)), personal injury, products and completed operations, and explosion, collapse, and underground (XCU).

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

**(iii)** Business automobile liability insurance with limits not less than One Million Dollars (\$1,000,000) each occurrence combined single limit for bodily injury and property damage, including owned and non-owned and hired vehicles, as applicable, if Tenant uses automobiles in connection with its use of the Premises.

**(iv)** Business interruption insurance insuring that the Rent will be paid to City for a period of at least one (1) year if Tenant is unable to operate its business at the Premises. Business Interruption Insurance will also cover business interruptions due to failures or interruptions in telecommunications services, strikes, employee lockouts, riots, or other civil commotion. To calculate Rent during any interruption of business, the Rent for the twelve (12)-month period immediately preceding the incident causing the business interruption will be used.

**(v)** Licensed professionals (i.e., architects, engineers, certified public accountants, etc.) will provide professional liability insurance with limits not less than \$1,000,000 each claim with respect to negligent acts, errors, or omissions in connection with professional services to be provided under this Lease or to the Premises, provided the requirements of Section 19.1(d) will not apply to such insurance.

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

**(b)** If any of the required insurance is provided under a claims-made form, Tenant will maintain the coverage continuously throughout the Term and, without lapse, for a period of three (3) years beyond the expiration or termination of this Lease, to the effect that, if occurrences during the Term give rise to claims made after expiration or termination of this Lease, those claims will be covered by the claims-made policies. Tenant's obligations under this Section will survive the expiration or termination of this Lease.

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

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

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

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

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

(f) All insurance policies required to be maintained by Tenant will be endorsed to provide thirty (30) days' prior written notice of cancellation for any reason, intended non-renewal, or reduction in coverage to both Tenant and City. If Tenant's insurer refuses to offer this endorsement, Tenant will promptly provide the thirty (30) day's prior written notice of cancellation, intended non-renewal, or reduction in coverage to City. Notice to City will be mailed to the addresses for City set forth in the Basic Lease Information.

(g) On or before the Commencement Date, Tenant will deliver to City certificates of insurance and additional insured policy endorsements from insurers in a form satisfactory to City, evidencing the coverage required under this Lease, together with complete copies of the policies and at any other time promptly after City's request. During the Term, Tenant will provide City with certificates or policies at least thirty (30) days before the expiration dates of expiring policies. If Tenant fails to procure the required insurance, or to deliver the policies or certificates, then at its option and without waiving any rights or remedies that City may have for Tenant's default, City may procure the insurance for Tenant's account, and Tenant will pay the cost to City within five (5) days after delivery to Tenant of invoices therefor.

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

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

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

## **19.2. Tenant's Personal Property**

At no cost to City, Tenant is responsible for separately insuring Tenant's Personal Property.

## **19.3. City's Self Insurance**

Tenant acknowledges that City self-insures against casualty, property damage, and public liability risks and agrees that, at City's sole election (but without obligation to do so), City may carry any third party insurance coverage for the Building, the Premises, or otherwise.

## **19.4. Waiver of Subrogation**

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

## 20. ACCESS BY CITY

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

## 21. CERTIFICATES

### 21.1. Tenant's Estoppel Certificates

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

### 21.2. City's Certificates

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

## 22. RULES AND REGULATIONS

Tenant will faithfully comply with the rules and regulations attached to this Lease as **Exhibit E** (Building Rules and Regulations), which City may amend from time to time (the "**Rules and Regulations**"). City will not be responsible for the non-performance of the Rules and Regulations by any other tenant or occupant of the Building. If there is any conflict between any provision of this Lease and any provision of the Rules and Regulations, this Lease will control.

## 23. SECURITY DEPOSIT

(a) Tenant has deposited with City the sum specified as the security deposit in the Basic Lease Information (the “**Security Deposit**”), to secure Tenant’s faithful performance of all terms, covenants, and conditions of this Lease. City may apply (but will not be required to apply) the Security Deposit in whole or in part to remedy any damage to the Premises caused by Tenant, its Agents, or its Invitees, or any failure of Tenant to perform any other terms, covenants, or conditions in this Lease (including the payment of Rent either before or after a default), without waiving any of City’s other rights and remedies under this Lease or under applicable Legal Requirements. Tenant waives the provisions of Section 1950.7 of the California Civil Code or any similar Legal Requirements now or hereafter in effect and agrees that City may retain any portion of Security Deposit reasonably necessary to compensate it for any foreseeable or unforeseeable loss or damage caused by the acts or omissions of Tenant, its Agents, or its Invitees. Without limiting the foregoing, City may apply some or all of the Security Deposit to the payment of future Rent following a Tenant default.

(b) If City uses any portion of the Security Deposit to cure any default by Tenant, Tenant will immediately replenish the Security Deposit to the original amount. If the Participation Rent is increased under any of the provisions of this Lease, Tenant will increase the amount of the Security Deposit by the same percentage increase. City’s obligations regarding the Security Deposit are solely that of debtor and not trustee. City will not be required to keep the Security Deposit separate from its general funds, and Tenant will not be entitled to interest on the Security Deposit. The amount of the Security Deposit will in no way limit the liabilities of Tenant under any provision of this Lease.

## 24. SURRENDER OF PREMISES

(a) On the Expiration Date or other termination of this Lease, Tenant will peaceably quit and surrender to City the Premises, together with the Tenant Improvements and all Alterations approved by City, in good order and condition, except for normal wear and tear (after Tenant has made the last necessary repair required under this Lease), and further except for any portion of the Premises condemned and any damage and destruction for which Tenant is not responsible under this Lease. The Premises will be surrendered free and clear of all liens and encumbrances other than those existing as of the date of this Lease and any other encumbrances created by City. Immediately before the Expiration Date or other termination of this Lease, Tenant will remove all of Tenant’s Personal Property as provided in this Lease, and repair any damage resulting from the removal; provided, in City’s sole discretion, City may reserve ownership of any telecommunications equipment, wire, cabling, and/or conduit installed in the Premises or any other portion of the Building by or on behalf of Tenant. If the removal is not completed at the expiration or other termination of this Lease, City may perform the removal at Tenant’s expense. Notwithstanding anything to the contrary in this Lease, at any time before the Expiration Date or within five (5) days after termination of this Lease (which period will be considered holding over with Landlord’s consent under Section 28.12 (Holding Over) below), City may elect to require Tenant to remove, at Tenant’s sole expense, all or part of the Tenant Improvements, Alterations, or other improvements or equipment constructed or installed by or at Tenant’s expense, including any telecommunications equipment, wires, cabling, and/or conduit installed in the Premises or any other portion of the Building by or on behalf of Tenant. Tenant will promptly remove those items and repair, at no cost to City, any damage to the Premises or the Building resulting from the removal, or if Tenant fails to repair, City may do so at Tenant’s expense. At City’s option, any items of Tenant’s Personal Property remaining in the Premises

after the Expiration Date or sooner termination of this Lease may be deemed abandoned and disposed of in accordance with Section 1980 et seq. of the California Civil Code or in any other manner allowed by Legal Requirements.

(b) Concurrently with the surrender of the Premises, if requested by City, Tenant will execute, acknowledge, and deliver to City a quitclaim deed to the Premises and any other instrument reasonably requested by City to evidence the termination of Tenant's leasehold estate and to effect the transfer or vesting of title to the Tenant Improvements or other improvements or equipment that remain part of the Premises.

(c) Tenant's obligations under this Section will survive the expiration or sooner termination of this Lease.

## 25. REMOVAL OF ELECTRICAL AND TELECOMMUNICATIONS WIRES

### 25.1. City May Elect to Remove or Retain Wires

Within thirty (30) days after the expiration or sooner termination of this Lease or at any time that the Wires (as defined below) are no longer in active use by Tenant, by written notice to Tenant, City may elect to: (a) retain any or all wires, cables, and similar installations appurtenant to such wires or cable (collectively, the "**Wires**") installed by or on behalf of Tenant within the Premises or any portion of the Building outside the Premises, including the plenums or risers of the Building; (b) remove any or all of the Wires and restore the Premises or the Building, as the case may be, to their condition existing before the installation of the Wires (the "**Wire Restoration Work**"), at Tenant's sole cost and expense; or (c) require Tenant to perform all or part of the Wire Restoration Work, at Tenant's sole cost and expense.

### 25.2. Compliance with Legal Requirements and Discontinuance of Wire Use

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

### 25.3. Condition of Wires

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

### 25.4. City's Right to Retain Security Deposit

City may retain Tenant's Security Deposit after the expiration or sooner termination of this Lease until one of the following events has occurred with respect to all of the Wires: (a) City elects to retain the Wires under Section 25.1 (a); (b) City elects to perform the Wire Restoration Work under Section **Error! Reference source not found.**(b) and the Wire Restoration Work is complete and Tenant has fully reimbursed City for all related costs ; or (c) City elects to require Tenant to perform the Wire Restoration Work under Section **Error! Reference source not found.**(c), the Wire Restoration Work is complete, and Tenant has paid for all related costs.

## 25.5. City Can Apply Security Deposit; Survival

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

## 26. HAZARDOUS MATERIALS

### 26.1. Definitions

As used in this Lease:

(a) **“Environmental Laws”** means all present or future Legal Requirements relating to Hazardous Material (including its use, handling, transportation, production, disposal, discharge, or storage), or to health and safety, industrial hygiene, or the environment, including soil, air, and groundwater conditions.

(b) **“Hazardous Material”** means any material that, because of its quantity, concentration, or physical or chemical characteristics, is at any time, now or later, deemed by any federal, state, or local governmental authority to pose a present or potential hazard to human health, welfare, or safety or to the environment. Hazardous Material includes any material or substance defined as a “hazardous substance,” “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 Section 25316 of the California Health & Safety Code; any “hazardous waste” listed under Section 25140 of the California Health & Safety Code; and petroleum, including crude oil or any fraction thereof, natural gas, or natural gas liquids.

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

(d) **“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 Premises, or in, on, under, or about any other part of the Property or into the environment.

### 26.2. No Hazardous Materials

Neither Tenant nor any of its Agents or Invitees will cause or permit any Hazardous Material to be brought on, kept, used, stored, generated or disposed of in, on, or about the Property, or transported to or from the Property, with the sole exception that Tenant may keep and use Hazardous Material in the Premises in reasonably limited amounts as are customarily used for general office purposes (such as copy toner and other normal office and cleaning supplies) and may generate Hazardous Material as a result of measures taken under Article 7 or Article **Error!** **Reference source not found.** of this Lease that disturb or remove lead-based or presumed lead-based paint from the exterior or interior surfaces of the Premises so long as the generation, storage,

transportation, use, and disposal are in compliance with all applicable Environmental Laws at all times. Tenant will give City immediate written notice of: **(a)** any action, proceeding, or inquiry by any governmental authority (including the California State Department of Health Services, the State or any Regional Water Quality Control Board, the Bay Area Air Quality Management District, or any local governmental entity) against Tenant with respect to the presence or Release or suspected presence or Release of Hazardous Material on the Premises, Building, or Property or the migration thereof from or to other property; **(b)** all demands or claims made or threatened by any third party against Tenant or the Premises, Building, or Property relating to any loss or injury resulting from any Hazardous Materials; **(c)** any Release of Hazardous Material on or about the Premises or any other part of the Property that has occurred and may require any Investigation or Remediation; and **(d)** all matters of which Tenant is required to give notice under Section 25359.7 of the California Health and Safety Code.

### **26.3. Tenant's Environmental Indemnity**

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

### **26.4. Survival of Obligation**

Tenant's obligations under this Section **Error! Reference source not found.** will survive the expiration or earlier termination of this Lease.

### **26.5. Hazardous Substance Disclosure**

California Legal Requirements require landlords to disclose to tenants the presence or potential presence of certain Hazardous Materials. Accordingly, Tenant is hereby advised that occupation of the Premises may lead to exposure to Hazardous Materials, including gasoline, diesel, and other vehicle fluids, vehicle exhaust, office maintenance fluids, tobacco smoke,

methane, and building materials containing chemicals, such as formaldehyde By execution of this Lease, Tenant acknowledges that the notices and warnings set forth above satisfy the requirements of California Health and Safety Code Section 25359.7 and related statutes and, to the extent permitted by Legal Requirements, Tenant waives any and all rights Tenant may have to assert that City has not complied with the requirements of the statute.

## **27. SPECIAL PROVISIONS**

### **27.1. Extension Option(s)**

(a) **Options to Extend Term.** City grants to Tenant three (3) options to extend the Term as to the entire Premises only (each an “**Extension Option**”), for an additional Five (5) years each (each an “**Extended Term**”), the First Extension Option commencing on the Expiration Date on the following terms and conditions. Tenant may exercise an Extension Option at any time during the Term with the consent of the City. Tenant must give written notice to City of Tenant’s intent to exercise an Extension Option, such notice being provided no fewer than one hundred eighty (180) days before the applicable Expiration Date. Once given, Tenant may not revoke its notice exercising an Extension Option. City shall have ten (10) business days to accept or deny Tenant’s request for an extension of this Lease, which decision to accept or deny shall be exercisable by City in its sole and absolute discretion. If City fails to respond within said 10-day period City’s decision to accept or deny Tenant’s request for extension, shall include among other factors an evaluation of Tenant’s completion of Improvement Projects outlined in Exhibit C, and progress made on the Old Mint Restoration Project. If any Event of Default by Tenant is outstanding either at the time Tenant exercises an Extension Option or at any time before the first day of an Extended Term (or if any event has occurred that, with the giving of notice or the passage of time or both, would constitute an Event of Default), then City may elect by notice to Tenant to reject Tenant’s exercise of the subject Extension Option, in which case, the Extension Option will be null and void. City may also void Tenant’s Extension Options if Tenant has assigned its interest under this Lease unless to a wholly owned subsidiary or sublet more than fifty percent (50%) of the Premises. Any assignment of this lease to a wholly owned subsidiary will require that both assignor and assignee be jointly and severally liable for obligations under this lease.

(b) **Participation Rent and Other Terms.** If Tenant elects to exercise an Extension Option, then the lease for the Extension Term will cover the entire Premises and be on all of the terms, covenants, and conditions of this Lease, except that City may elect to adjust the Participation Rent.

## **28. GENERALLY APPLICABLE PROVISIONS**

### **28.1. Notices**

Any notice given under this Lease will be effective only if in writing and delivered in person or by sending it first-class mail or certified mail with a return receipt requested or by overnight courier, return receipt requested, with postage prepaid, to: (a) Tenant, (i) at Tenant’s address set forth in the Basic Lease Information, if sent before Tenant takes possession of the Premises, or (ii) at the Premises if sent on or after Tenant takes possession of the Premises, or (iii) at any place where Tenant or any Agent of Tenant may be found if sent after Tenant vacates, abandons, or surrenders the Premises; or (b) City, at City’s address set forth in the Basic Lease Information; or (c) to any other address that either City or Tenant designates as its new address by notice given to the other in accordance with the provisions of this Section at least ten (10) days before the effective date of the change. A properly addressed notice transmitted by one of the



foregoing methods will be deemed to have been given two (2) days after the date it is mailed by first class or certified mail, one day after the date it is deposited with an overnight courier for overnight delivery, or on the date of personal delivery. For convenience of the parties, copies of notices may also be given by email to the email address set forth in the Basic Lease Information or as may be provided from time to time; however, neither no official or binding notice may be given by email; a notice will only be deemed given and effective when sent as provided in the first two (2) sentences of this Section. Tenant will promptly provide City with copies of all notices received regarding any alleged violation of Legal Requirements or insurance requirements or any alleged unsafe condition or practice.

### **28.2. No Implied Waiver**

No failure by City to insist on the strict performance of any obligation of Tenant under this Lease or to exercise any right, power, or remedy arising out of a breach, regardless of the length of time that the breach continues, no acceptance of full or partial Participation Rent or Additional Charges during any breach, and no acceptance of the keys to or possession of the Premises before the expiration of the Term by any Agent of City, will constitute a waiver of the breach or of City's right to demand strict compliance with any term, covenant, or condition or operate as a surrender of this Lease. No express written waiver of any default or the performance of any provision of this Lease will affect any other default or performance, or cover any other period of time, other than the default, performance, or period of 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. Any City consent under this Lease will not relieve Tenant of any obligation to secure City's consent in any other or future instance as required by this Lease.

### **28.3. Amendments**

Neither this Lease nor any of its terms or provisions may be changed, waived, discharged, or terminated, except by a written instrument signed by the party against which the enforcement of the change, waiver, discharge, or termination is sought. 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 Legal Requirements, including the Charter. Any amendments or modifications to this Lease, including amendments to or modifications to the exhibits to this Lease, are subject to the mutual written agreement of City and Tenant, and City's agreement may be made upon the sole approval of the Director of Property, or his or her designee; provided, however, **(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 Error! Reference source not found. (Permitted Use) of this Lease, and **(e)** any other amendment or modification that materially increases City's liabilities or financial obligations under this Lease may also require the approval of City's Board of Supervisors.

### **28.4. Authority**

If Tenant signs as a corporation, a limited liability company, or a partnership, then each of the persons executing this Lease on behalf of Tenant covenants and warrants that Tenant is a duly authorized and existing entity, Tenant has and is qualified to do business in California, Tenant has full right and authority to enter into this Lease, and each and all of the persons signing on behalf of Tenant are authorized to do so. On City's request, Tenant will provide City with evidence reasonably satisfactory to City confirming these representations and warranties.

### **28.5. Parties and Their Agents; Approvals**

The words “**City**” and “**Tenant**” include the plural as well as the singular. If there is more than one entity that comprises Tenant, Tenant’s obligations and liabilities under this Lease are joint and several. The term “**Agents**” when used with respect to either party includes the agents, employees, officers, contractors, and representatives of the party, and the term “**Invitees**” when used with respect to Tenant includes the clients, customers, invitees, guests, licensees, assignees, or subtenants of Tenant. All approvals, consents, or other determinations permitted or required by City will be made by or through City’s Director of Property in his or her sole discretion unless otherwise provided in this Lease, subject to applicable Legal Requirements.

### **28.6. Interpretation of Lease**

The captions preceding the articles and sections of this Lease and in the table of contents have been inserted for convenience of reference only and in no way define or limit the scope or intent of any provision of this Lease. Provisions in this Lease relating to number of days are calendar days, unless otherwise specified, but if the last day of any period to give notice, reply to a notice, or to undertake any other action occurs on a Saturday, Sunday, or a bank or City holiday, then the last day for undertaking the action or giving or replying to the notice will be the next succeeding business day. Use of the word “**including**” or similar words will not be construed to limit any general term, statement, or other matter in this Lease, whether or not language of non-limitation, such as “without limitation” or similar words, are used.

### **28.7. Successors and Assigns**

Subject to the provisions of this Lease relating to Assignment and Subletting, the terms, covenants, and conditions contained in this Lease will bind and benefit City and Tenant and their successors and assigns; provided, however, that on any sale, assignment, or transfer by City (or by any subsequent landlord) of its interest in the Premises, including any transfer by operation of law, City (or any subsequent landlord) will be relieved from all obligations and liabilities arising under this Lease after the sale, assignment, or transfer.

### **28.8. Brokers**

Neither party has had any contact or dealings regarding leasing the Premises to Tenant, or any communication in connection that leasing, through any licensed real estate broker or other person who could claim a right to a commission or finder’s fee in connection with the lease contemplated in this Lease except as identified in the Basic Lease Information, whose commission, if any is due, will be paid under a separate written agreement between the broker and the party through which the broker contracted. If any broker or finder perfects a claim for a commission or finder’s fee based on a contact, dealings, or communication, then the party through whom the broker or finder makes a 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 in defending against the broker’s or finder’s claim. The provisions of this Section will survive the expiration or any earlier termination of this Lease.

### **28.9. Severability**

If any provision of this Lease or its application to any person, entity, or circumstance is invalid or unenforceable, then 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 thereby, and each other provision of this Lease will be valid and enforceable to the fullest extent permitted by Legal Requirements, except to the extent that enforcement of this Lease

without the invalidated provision would be unreasonable or inequitable under all the circumstances or would frustrate a fundamental purpose of this Lease.

#### **28.10. Governing Law**

This Lease will be construed and enforced in accordance with the Legal Requirements 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.

#### **28.11. Entire Agreement**

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

#### **28.12. Holding Over**

(a) If Tenant retains possession of any portion of the Premises after the expiration or the earlier termination of this Lease, then unless City expressly agrees to the holdover in writing, Tenant will pay City, on a month-to-month basis, Participation Rent equal to two hundred percent (200%) of the latest Participation Rent payable by Tenant before the expiration or termination of the Lease, together with an amount estimated by City for the monthly Additional Charges, and will otherwise be on the terms and conditions specified in this Lease so far as applicable (except for those pertaining to the Term and any Extension Options). Any failure by Tenant to surrender, discontinue using, or, if required by City, any failure to remove any property or equipment following written demand by City, will constitute continuing possession for purposes of this Section. Tenant acknowledges that the foregoing provisions do not serve as permission for the Tenant to hold over, or serve to extend the Term. Any holding over without City's consent will constitute a default by Tenant and entitle City to exercise any or all of its remedies, notwithstanding that City may elect to accept one or more payments of Rent, and whether or not the amounts are at the holdover rate specified above or the rate in effect at the end of the Term.

(b) Any holding over after the expiration of the Term with City's express written consent will be construed to automatically extend the Term on a month-to-month basis at a Participation Rent equal to one hundred fifty percent (150%) of the latest Participation Rent payable by Tenant before the expiration, together with an amount estimated by City for the monthly Additional Charges, and will otherwise be on the terms and conditions specified in this Lease so far as applicable (except for those pertaining to the Term and any Extension Options).

(c) Tenant's obligations under this Section will survive the expiration or termination of this Lease.

#### **28.13. Time of Essence**

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

#### **28.14. Cumulative Remedies**

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

#### **28.15. Survival of Indemnities**

Termination of this Lease will not affect the either party's right to enforce any indemnities and representations and warranties given or made to the other party under this Lease, or affect any provision of this Lease that expressly states it will survive expiration or termination of the Lease.

#### **28.16. Signs**

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

#### **28.17. Relationship of the Parties**

City is not, and none of the provisions in this Lease will be deemed to render City, a partner in Tenant's business, or a member in any joint enterprise or venture with Tenant. Neither party may act as the agent of the other party for any purpose under this Lease. This Lease is not intended and it will not be construed to create any third-party beneficiary rights in any party, unless otherwise expressly provided.

#### **28.18. Payments to Tenant**

Tenant acknowledges that City cannot make any payments to Tenant unless Tenant is qualified as an approved vendor in City's financial and payment system. Therefore, City will not be in default of any monetary obligation to Tenant if City is required to make a payment to Tenant but Tenant is not an approved vendor with City. More information about being an approved vendor is available at <https://sfcitypartner.sfgov.org/Vendor/BecomeSupplier>.

#### **28.19. Light and Air**

No diminution of light, air, or view by any structure that may later be erected (whether or not by City) will entitle Tenant to any reduction of the Participation Rent or Additional Charges under this Lease, result in any City liability to Tenant, or in any other way affect this Lease or Tenant's obligations under the Lease.

#### **28.20. No Recording**

Tenant may not record this Lease or any memorandum of this Lease in the public records.

#### **28.21. Options Personal**

Any right or option to extend the Term or renew this Lease is personal to the original named Tenant or to any wholly owned subsidiary of Tenant and may be exercised only by the original named Tenant or wholly owned subsidiary of tenant while occupying the Premises without the

intent of then making an Assignment of this Lease or Subletting of all or any portion of the Premises. No right or option to extend the Term or renew this Lease may be exercised by or assigned, voluntarily or involuntarily, by or to any person or entity other than the original named Tenant. The options, if any, granted to Tenant are not assignable separate and apart from this Lease, and no option may be separated from this Lease in any manner, either by reservation or otherwise.

#### **28.22. Non-Liability of City Officials, Employees, and Agents**

No elected or appointed board, commission, member, officer, employee, or other Agent of City will be personally liable to Tenant or its successors and assigns for any City default or breach or for any amount that may become due to Tenant or its successors and assigns, or for any City obligation under this Lease.

#### **28.23. Cooperative Drafting**

This Lease has been drafted through a cooperative effort of both parties, and both parties have had an opportunity to have the Lease reviewed and revised by legal counsel. No party 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.

#### **28.24. 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.

#### **28.25. Effective Date**

This Lease will be effective on the latter of the following dates: **(a)** the date that the City's Board of Supervisors and the Mayor, in their sole and absolute discretion, adopt a resolution approving this Lease in accordance with all applicable Legal Requirements and **(b)** the date that this Lease is duly executed and delivered by the parties.

### **29. CITY REQUIREMENTS**

#### **29.1. Public Transit Information**

At its sole expense, Tenant will establish and carry on during the Term a program to encourage maximum use of public transportation by personnel of Tenant employed on the Premises, including the distribution of written materials to personnel explaining the convenience and availability of public transportation facilities adjacent or near the Building and encouraging use of them.

#### **29.2. Taxes, Assessments, Licenses, Permit Fees, and Liens**

**(a)** Tenant recognizes and understands that this Lease may create a possessory interest subject to property taxation and Tenant may be subject to the payment of property taxes levied on its possessory interest. In addition, if the Term, including any extension options, is thirty-five (35) years or more, then Tenant will be obligated to pay real property transfer tax upon execution of the Lease.

**(b)** Tenant will pay to the proper authority on or before when due all taxes and assessments of every kind, including, but not limited to, possessory interest taxes lawfully assessed on the leasehold interest created by this Lease or any subleasehold interest in the Premises, real property transfer taxes, real and personal property taxes, general and special assessments, and all

license fees, permit fees, and all other governmental charges of any kind or nature whatsoever, and to pay all other taxes, excises, licenses, permit charges, and assessments based on Tenant's use of the Premises or any transfer of a leasehold interest or subleasehold interest in the Premises (including, but not limited to, any transfer of the leasehold interest in the Premises pursuant to this Lease) and imposed by Legal Requirements, whether in effect at the time this Lease is entered into or that become later effective. Without limiting the foregoing, Tenant will pay all real property transfer taxes imposed on any transfer of a leasehold interest or subleasehold interest in the Premises (including but not limited to the transfer of the Premises pursuant to this Lease). Tenant further recognizes and agrees that its leasehold interest may be subject to the payment of special taxes, including without limitation a levy of special taxes to finance energy efficiency, water conservation, water pollution control and similar improvements under the Special Tax Financing Law in Chapter 43 Article X of the Administrative Code.

(c) Tenant will not allow or suffer a lien for any taxes, assessments, or other charges to be imposed on the Premises or on any equipment or property located in the Premises without promptly discharging the lien, provided that Tenant, if it desires, may have reasonable opportunity to contest the legal validity or the amount of any tax, assessment, or similar charge so long as the tax, assessment, or charge does not become a defaulted lien. In the event of any disputed tax, assessment, or similar charge, Tenant will Indemnify City, and their Agents from and against all resulting Claims.

(d) San Francisco Administrative Code Sections 23.38 and 23.39 require that certain information relating to the creation, renewal, extension, assignment, sublease, or other transfer of this Lease be provided to the County Assessor within sixty (60) days after the transaction. Accordingly, Tenant must provide a copy of this Lease, and any renewals, extensions, Assignment documents, Sublease documents, or any other transfers of the Premises or the Lease to the County Assessor not later than sixty (60) days after the full execution of the foregoing, and any failure of Tenant to timely provide a copy of this Lease, and any renewals, extensions, Assignment document, Sublease documents, or any other transfers of the Premises or the Lease to the County Assessor will be a default under this Lease. Tenant will also timely provide any information that City may request to ensure compliance with this or any other reporting requirement.

### **29.3. Non-Discrimination in City Contracts and Benefits Ordinance**

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

(b) **Subleases and Other Subcontracts.** Tenant will include in all Subleases and other subcontracts relating to the Premises a non-discrimination clause applicable to the Subtenant or other subcontractor in substantially the form of subsection (a) above. In addition, Tenant will incorporate by reference in all subleases and other subcontracts the provisions of Sections 131.2(a), 131.2(c)-(k), and (m) and 132.3 of the San Francisco Labor and Employment

Code and require all subtenants and other subcontractors to comply with those provisions. Tenant's failure to comply with the obligations in this subsection will constitute a material breach of this Lease.

**(c) Non-Discrimination in Benefits.** Tenant does not as of the date of this Lease and will not during the Term, in any of its operations in San Francisco, on real property owned by City, or where the work is being performed for City 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 the Legal Requirements authorizing that registration, subject to the conditions set forth in Section 131.2(b) of the San Francisco Labor and Employment Code.

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

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

#### **29.4. No Relocation Assistance; Release of Claims**

Tenant acknowledges that it will not be a displaced person at the time this Lease is terminated or expires by its own terms, and Tenant fully RELEASES AND DISCHARGES forever any and all Claims against, and covenants not to sue, City, its departments, commissions, officers, directors, and employees, and all persons acting by, through or under each of them, under any Legal Requirements, including any and all claims for relocation benefits or assistance from City under federal and state relocation assistance Legal Requirements (including California Government Code Section 7260 et seq.), except as otherwise specifically provided in this Lease with respect to a Taking/Condemnation.

#### **29.5. MacBride Principles—Northern Ireland**

The provisions of San Francisco Administrative Code Section 12F are incorporated by this reference and made part of this Lease. By signing this Lease, Tenant confirms that Tenant 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.

## **29.6. Tropical Hardwood and Virgin Redwood Ban; Preservative-Treated Wood Containing Arsenic**

City urges companies not to import, purchase, obtain, or use for any purpose, any tropical hardwood, tropical hardwood wood product, virgin redwood or virgin redwood wood product. Except as expressly permitted by the application of Sections 802(b) and 803(b) of the San Francisco Environment Code, Tenant will not provide any items to the construction of Tenant Improvements or the Alterations, or otherwise in the performance of this Lease, that are tropical hardwoods, tropical hardwood wood products, virgin redwood, or virgin redwood wood products. If Tenant fails to comply with any of the provisions of Chapter 8 of the San Francisco Environment Code, Tenant will be liable for liquidated damages for each violation in any amount equal to Tenant's net profit on the contract, or five percent (5%) of the total amount of the contract dollars, whichever is greater. Tenant may not purchase preservative-treated wood products containing arsenic in the performance of this Lease unless an exemption from the requirements of Environment Code Chapter 13 is obtained from the Department of Environment.

## **29.7. Restrictions on the Use of Pesticides**

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

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

## **29.8. First Source Hiring Agreement**

Chapter 83 of the San Francisco Administrative Code requires that Tenant enter into a first source hiring agreement on or before the Effective Date. Accordingly, Tenant and City are parties



to the First Source Agreement attached to this Lease as **Exhibit F** under San Francisco Administrative Code, Chapter 83 (the “**First Source Agreement**”). Any default by Tenant under the First Source Agreement will be a default under this Lease.

#### **29.9. Sunshine Ordinance**

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

#### **29.10. Conflicts of Interest**

Through its execution of this Lease, Tenant acknowledges that it is familiar with the provisions of Article III, Chapter 2 of City’s Campaign and Governmental Conduct Code, and 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, and agrees that if Tenant becomes aware of any violation during the Term, Tenant will immediately notify City.

#### **29.11. Charter Provisions**

This Lease is governed by and subject to the provisions of City’s Charter.

#### **29.12. Drug-Free Workplace**

Tenant acknowledges that under the Federal Drug-Free Workplace Act of 1988, the unlawful manufacture, distribution, possession, or use of a controlled substance under federal Legal Requirements is prohibited on City premises. Any violation of this prohibition by Tenant, its Agents, or assigns will be a material breach of this Lease.

#### **29.13. Prohibition of Tobacco Sales and Advertising**

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

#### **29.14. Prohibition of Alcoholic Beverage Advertising**

No advertising of alcoholic beverages is allowed on the Premises. For purposes of this section, “alcoholic beverage” is defined as set forth in California Business and Professions Code Section 23004, and does not include cleaning solutions, medical supplies, and other products and substances not intended for drinking. This advertising prohibition includes the placement of the name of a company producing alcoholic beverages or the name of any alcoholic beverage in any promotion of any event or product.

### **29.15. Requiring Health Benefits for Covered Employees**

(a) Unless exempt, Tenant will comply fully with and be bound by all of the provisions of the Health Care Accountability Ordinance (“HCAO”), as set forth in San Francisco Labor and Employment Code Article 121, including the remedies provided, and implementing regulations, as they may be amended from time to time. The provisions of Article 121 are incorporated into this Lease by reference and made a part of this Lease as though fully set forth. The text of the HCAO is available on the web at <http://www.sfgov.org/olse/hcao>. Capitalized terms used in this Section and not defined in this Lease have the meanings assigned to those terms in Article 121.

(b) For each Covered Employee, Tenant will provide the appropriate health benefit set forth in Section 121.3 of the HCAO. If Tenant chooses to offer the health plan option, the health plan must meet the minimum standards set forth by the San Francisco Health Commission.

(c) Notwithstanding the above, if the Tenant is a small business as defined in Section 121.3(g) of the HCAO, it will have no obligation to comply with subsection (a) above.

(d) Tenant’s failure to comply with the HCAO will constitute a material breach of this Lease. City may notify Tenant if a breach has occurred. If, within thirty (30) days after receiving City’s written notice of a breach of this Lease for violating the HCAO, Tenant fails to cure the breach or, if the breach cannot reasonably be cured within the thirty (30) days period, and Tenant fails to commence efforts to cure within that period, or fails diligently to pursue the cure to completion, then City will have the right to pursue the remedies set forth in Section 121.5(f)(1-6). Each of these remedies will be exercisable individually or in combination with any other rights or remedies available to City.

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

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

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

(h) Tenant will keep itself informed of the current requirements of the HCAO.

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

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

(k) City may conduct random audits of Tenant to ascertain its compliance with HCAO. Tenant will cooperate with City when it conducts the audits.

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

#### **29.16. Notification of Prohibition on Contributions**

For the purposes of this Section, a "**City Contractor**" is a party that contracts with, or seeks to contract with, the City for the sale or leasing of any land or building to or from the City whenever such transaction would require the approval by a City elective officer, the board on which that City elective officer serves, or a board on which an appointee of that individual serves. Through its execution of this Agreement, Tenant acknowledges that it is familiar with Section 1.126 of the San Francisco Campaign and Governmental Conduct Code, which prohibits a City Contractor from making any campaign contribution to (1) the City elective officer, (2) a candidate for the office held by such individual, or (3) a committee controlled by such individual or candidate, at any time from the commencement of negotiations for the contract until the later of either the termination of negotiations for that contract or twelve (12) months after the date that contract is approved. Tenant acknowledges that the foregoing restriction applies only if the contract or a combination or series of contracts approved by the same individual or board in a fiscal year have a total anticipated or actual value of \$100,000 or more. Tenant further acknowledges that (i) the prohibition on contributions applies to Tenant, each member of Tenant's board of directors, Tenant's chief executive officer, chief financial officer and chief operating officer, any person with an ownership interest of more than ten percent (10%) in Tenant, any subcontractor listed in the contract, and any committee that is sponsored or controlled by Tenant, and (ii) within thirty (30) days of the submission of a proposal for the contract, the City department seeking to enter into the contract must notify the Ethics Commission of the parties and any subcontractor to the contract. Additionally, Tenant certifies it has informed each of the persons described in the preceding sentence of the prohibitions contained in Section 1.126 by the time it submitted a proposal for the contract to the City, and has provided the names of the persons required to be informed to the City department seeking to enter into that contract within thirty (30) days of submitting its contract proposal to the City department receiving that submittal, and acknowledges the City department receiving that submittal was required to notify the Ethics Commission of those persons.

#### **29.17. Resource-Efficient City Buildings**

Tenant acknowledges that City has enacted San Francisco Environment Code Sections 700 to 705 relating to green building requirements for the design, construction, and operation of buildings owned or leased by City. Tenant will comply with all applicable provisions of those code sections.

### **29.18. Food Service and Packaging Waste Reduction Ordinance**

Tenant will comply with and is bound by all of the applicable provisions of the Food Service and Packaging Waste Reduction Ordinance, as set forth in the San Francisco Environment Code, Chapter 16, including the remedies provided therein, and implementing guidelines and rules. The provisions of Chapter 16 are incorporated into this Lease by reference and made a part of this Lease as though fully set forth. Accordingly, Tenant acknowledges that City contractors and lessees may not use Food Service Ware for Prepared Food in City Facilities and while performing under a City contract or lease (1) where the Food Service Ware is made, in whole or in part, from Polystyrene Foam, (2) where the Food Service Ware is not Compostable or Recyclable, or (3) where the Food Service Ware is Compostable and not Fluorinated Chemical Free. The capitalized terms (other than Tenant and City) in the previous sentence are defined in San Francisco Environment Code Section 1602.

### **29.19. San Francisco Packaged Water Ordinance**

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

### **29.20. Criminal History in Hiring and Employment Decisions**

(a) Unless exempt, Tenant will comply with and be bound by all of the provisions of San Francisco Labor and Employment Code Article 142 (Criminal History in Hiring and Employment Decisions), as amended from time to time (“**Article 142**”), which are incorporated into this Lease as if fully set forth, with respect to applicants and employees of Tenant who would be or are performing work at the Premises.

(b) Tenant will incorporate by reference the provisions of Article 142 in all subleases of some or all of the Premises, and require all subtenants to comply with those provisions. Tenant’s failure to comply with the obligations in this subsection will constitute a material breach of this Lease.

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

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

(e) Tenant and subtenants will state in all solicitations or advertisements for employees that are reasonably likely to reach persons who are reasonably likely to seek employment with Tenant or subtenant at the Premises, that the Tenant or subtenant will consider for employment qualified applicants with criminal histories in a manner consistent with the requirements of Article 142.

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

(g) Tenant and subtenants understand and agree that on any failure to comply with the requirements of Article 142, City will have the right to pursue any rights or remedies available under Article 142 or this Lease, including a penalty of \$50 for a second violation and \$100 for a subsequent violation for each employee, applicant, or other person as to whom a violation occurred or continued, or termination of this Lease in whole or in part.

(h) If Tenant has any questions about the applicability of Article 142, it may contact City’s Real Estate Division for additional information. City’s Real Estate Division may consult with the Director of City’s Office of Contract Administration who may also grant a waiver, as set forth in Section 142.8.

#### **29.21. Vending Machines; Nutritional Standards**

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

#### **29.22. All-Gender Toilet Facilities**

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

#### **29.23. Employee Signature Authorization Ordinance**

City has adopted an Employee Signature Authorization Ordinance (San Francisco Administrative Code Sections 23.50–23.56). That ordinance requires employers of employees in hotel or restaurant projects on public property with fifty (50) or more employees (whether full-

time or part-time) to enter into a “card check” agreement with a labor union regarding the preference of employees to be represented by a labor union to act as their exclusive bargaining representative. Tenant will comply with the requirements of the ordinance, if applicable, including any requirements in the ordinance with respect to its subtenants, licensees, and operators.

#### **29.24. Tenant’s Compliance with City Business and Tax Regulations Code**

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

#### **29.25. Reserved**

#### **29.26. Consideration of Salary History**

In addition to Tenant's obligations as an employer under San Francisco Police Code Article 33J, Tenant must comply with San Francisco Labor and Employment Code Article 141. For each employment application to Tenant for work of eight (8) or more hours per week at the Premises, Tenant must not consider the applicant's current or past salary (a "**Salary History**") in deciding whether to hire the applicant or what salary to offer the applicant unless the applicant voluntarily discloses that Salary History without prompting. In addition, Tenant must not (1) ask those applicants about their Salary History, (2) refuse to hire, or otherwise disfavor, injure, or retaliate against applicants that do not disclose their Salary History, or (3) disclose a current or former employee's Salary History without that employee's authorization unless it is required by law, publicly available, or subject to a collective bargaining agreement.

Tenant is subject to the posting, enforcement, and penalty provisions in Article 141. Information about Article 141 is available on the web at <https://sfgov.org/olse/consideration-salary-history>.

NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS LEASE, TENANT ACKNOWLEDGES AND AGREES THAT NO CITY OFFICER OR EMPLOYEE HAS AUTHORITY TO COMMIT CITY TO THIS LEASE UNLESS AND UNTIL CITY’S BOARD OF SUPERVISORS HAS DULY ADOPTED A RESOLUTION APPROVING THIS LEASE AND AUTHORIZING THE TRANSACTIONS CONTEMPLATED HEREBY. THEREFORE, ANY CITY OBLIGATIONS OR LIABILITIES UNDER THIS LEASE ARE CONTINGENT ON ADOPTION OF A RESOLUTION, AND THIS LEASE WILL BE NULL AND VOID IF CITY’S MAYOR AND THE BOARD OF SUPERVISORS DO NOT APPROVE THIS LEASE, IN THEIR RESPECTIVE SOLE DISCRETION. APPROVAL OF THIS LEASE BY ANY CITY DEPARTMENT, COMMISSION, OR AGENCY WILL NOT BE DEEMED TO IMPLY THAT A RESOLUTION WILL BE ENACTED, AND NO APPROVAL WILL CREATE ANY BINDING CITY OBLIGATIONS.

*SIGNATURES ON FOLLOWING PAGE*

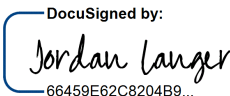


City and Tenant have executed this Lease as of the date first written above.

*[Tenant 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.]*

**TENANT:**

NPU, Inc.,  
a California corporation

By:   
Name: Jordan Langer  
Its: CEO

**CITY:**

CITY AND COUNTY OF SAN FRANCISCO,  
a municipal corporation

By: \_\_\_\_\_  
SARAH R. OERTH  
Director of Property

**RECOMMENDED:**

\_\_\_\_\_

**APPROVED AS TO FORM:**

DAVID CHIU, City Attorney

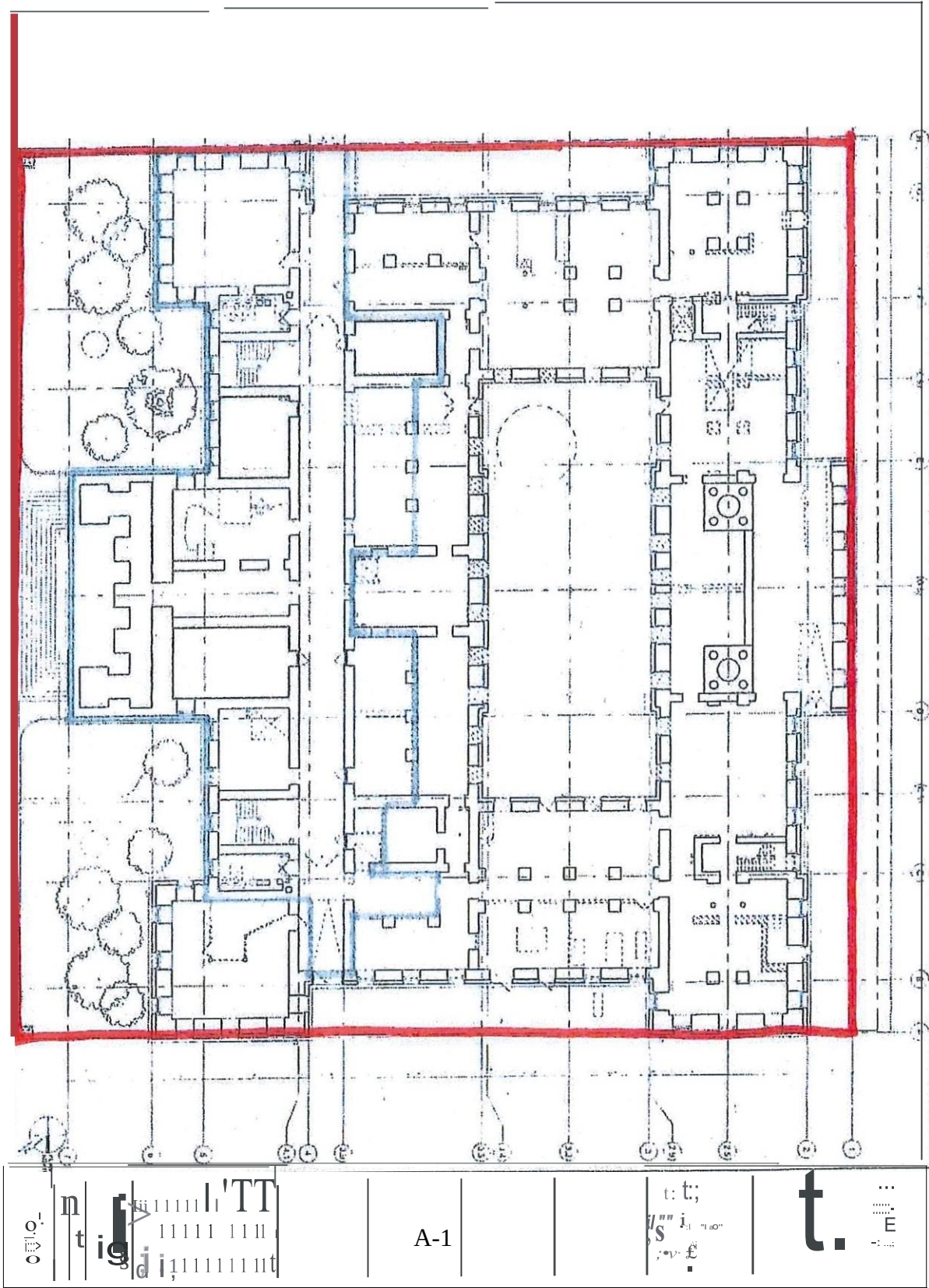
By: \_\_\_\_\_  
Deputy City Attorney



**EXHIBIT A**

**FLOOR PLAN**

CONSISTING OF 1 PAGE



**EXHIBIT B**

**WAIVER AND RELEASE**

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

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

“**RELEASOR**”

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Date: \_\_\_\_\_

**EXHIBIT C**

**TENANT CAPITAL IMPROVEMENT PROJECTS PLAN**

**See attached Project and Rent Plan Projections 2024**

**EXHIBIT D**

**RESERVED**

## **EXHIBIT E**

### **RULES AND REGULATIONS**

1. Tenant may not obstruct the sidewalks, halls, passages, exits, entrances, elevators, and stairways of the Building or use them for any purpose other than for ingress to and egress from the Premises. City retains the right to control and prevent access to the halls, passages, exits, entrances, elevators, escalators, and stairways that are not for the use of the general public, and City retains the right to control and prevent access of all persons whose presence in City's judgment would be prejudicial to the safety, character, reputation, and interests of the Building and its tenants, but that nothing in these Rules and Regulations may construed to prevent access to persons with whom Tenant normally deals in the ordinary course of its business, unless those persons are engaged in illegal activities. Tenant may not go on the roof of the Building, except in areas that City may designate as "Common Areas" from time to time.
2. No sign, placard, picture, name, advertisement, or notice visible from the exterior of the Premises may be installed or displayed by Tenant on any part of the outside or inside of the Building without City's prior written consent. At Tenant's expense and without notice, City may remove any sign installed or displayed in violation of this rule. All approved signs or lettering on doors will be printed, painted, affixed, or inscribed at Tenant's expense by a person approved by City, which approval will not be unreasonably withheld. Material visible from outside the Building will not be permitted.
3. The Premises may not be used for the storage of merchandise held for sale to the general public or for lodging. Tenant may not cook or permit cooking on the Premises, except that Tenant's use of Underwriters' Laboratory-approved microwave oven and portable equipment for brewing coffee, tea, hot chocolate, and similar beverages is permitted if done in accordance with all applicable Legal Requirements.
4. Tenant will not employ any person or persons other than City's janitor to clean the Premises, unless City otherwise agrees in writing. Except with City's written consent, no person or persons other than those approved by City will be permitted to enter the Building to clean. Tenant will not cause any unnecessary labor because of Tenant's carelessness or indifference in the preservation of good order and cleanliness. Janitor service will not be furnished on nights when rooms are occupied after 9:00 p.m. unless, by agreement in writing, service is extended to a later hour for specifically designated rooms.
5. City will furnish Tenant with two (2) initial keys to the Premises, free of charge. City may make a reasonable charge for additional keys and for having locks changed. Tenant will not make or have made additional keys without City's prior written consent, which consent will not be unreasonably withheld or delayed. Tenant will not alter any lock or install any new or additional locking devices without City's prior written consent. All locks installed in the Premises, excluding Tenant's vaults and safes, or special security areas (which will be designated by Tenant in a written notice to City), will be keyed to the Building master key system. City may make reasonable charge for any additional lock or any bolt (including labor) installed on any door of the Premises. Tenant, on the termination of its tenancy, will deliver to City all keys to doors in the Premises. If Tenant loses any keys, Tenant will pay City for the cost of re-keying the Premises.

**6.** The elevators to be used for the loading of freight will be available to Tenant in accordance with reasonable scheduling as City may deem appropriate. Tenant will schedule with City, by written notice given no less than forty-eight (48) hours in advance, its move into or out of the Building. Moving may occur only on weekend days unless otherwise permitted by City. Tenant will reimburse City on demand for any additional security or other charges incurred by City as a consequence of Tenant's moving. The persons employed by Tenant to move equipment or other items in or out of the Building must be acceptable to City. The floors, corners, and walls of elevators and corridors used for the moving of equipment or other items in or out of the Building will be adequately covered, padded, and protected, and City may provide padding and protection, at Tenant's expense, if City determines that Tenant's measures or Tenant's movers are inadequate. City may prescribe the weight, size, and position of all equipment, materials, supplies, furniture, or other property brought into the Building. If considered necessary by City, heavy objects will stand on wood strips of thickness necessary to properly distribute the weight of the objects. City will not be responsible for loss of or damage to any of Tenant's property from any cause, and all damage done to the Building by moving or maintaining Tenant's property will be repaired at the expense of Tenant.

**7.** Tenant may not use or keep in the Premises or the Building any kerosene, gasoline, or flammable, combustible, or noxious fluid or materials or use any method of heating or air conditioning other than those limited quantities necessary for the operation and maintenance of normal office equipment. Tenant will not use, keep, or permit or suffer the Premises to be occupied or used in a manner offensive or objectionable to City or other occupants of the Building because of noise, odors, and/or vibrations, or interfere in any way with other tenants or those having business in the Building.

**8.** City reserves the right to exclude from the Building between the hours of 6 p.m. and 8 a.m. and at all hours on Saturdays, Sundays, and legal holidays all persons who do not present a pass to the Building signed by City and properly in the possession of the person presenting the pass. City will furnish passes to persons as requested by Tenant in writing. Tenant will be responsible for all persons for whom it requests passes and will be liable to City for all acts of those persons. City will in no case be liable for damages for any error with regard to the admission to or exclusion from the Building of any person. In the case of invasion, mob, riot, public excitement, or other circumstances rendering action advisable in City's opinion, City reserves the right to prevent access to the Building by any action as City may deem appropriate, including closing any doors in the Building.

**9.** The directory of the Building will be provided for the display of the name and location of tenants and a reasonable number of the principal officers and employees of tenants, but City reserves the right to exclude any other names from the directory. City must approve any additional name that Tenant desires to place on the directory and, if so approved, a charge will be made for each name.

**10.** Tenant may not cut or bore holes for wires in the partitions, woodwork, or plaster of the Premises. Tenant may not affix any floor covering to the floor of the Premises in any manner except as approved by City.

**11.** No curtains, draperies, blinds, shutters, shades, screens, or other coverings, hangings or decorations may be attached to, hung or placed in, or used in connection with any window of the Building without City's prior written consent. In any event, with City's prior written consent, the items will be installed on the office side of City's standard window covering and will in no way be visible from the exterior of the Building.

**12.** Tenant will ensure that the doors of the Premises are closed and locked and that all water faucets, water apparatus, and utilities are shut off before Tenant leave the Premises each day, to prevent waste or damage. For any Tenant default or carelessness, Tenant will pay for, repair, or otherwise compensate for all injuries and damages sustained by other tenants or occupants of the Building or City. On multiple-tenancy floors, all tenants will keep the doors to the Building corridors closed at all times except for ingress and egress, and all tenants will at all times comply with any rules or orders of the fire department with respect to ingress and egress.

**13.** The toilet rooms, toilets, urinals, wash bowls, and other apparatus may not be used for any purpose other than that for which they were constructed, no foreign substance of any kind whatsoever may be deposited in them. The expense of any breakage, stoppage, or damage resulting in any violation of this rule will be borne by Tenant.

**14.** Except with City's prior consent, Tenant may not sell, or permit the sale from the Premises of, or use or permit the use of any sidewalk or mall area adjacent to the Premises for the sale of, newspapers, magazines, periodicals, theater tickets, or any other goods, merchandise, or service. Tenant may not carry on, or permit, or allow any employee or other person to carry on, business in or from the Premises for the service or accommodation of occupants or any other portion of the Building, and the Premises may not be used for manufacturing of any kind, or for any business or activity other than that specifically provided for in Tenant's lease.

**15.** Tenant may not install any radio or television antenna, loudspeaker, or other device on or about the roof area or exterior walls of the Building. Tenant will not interfere with radio or television broadcasting or reception from or in the Building or elsewhere.

**16.** Tenant will not use in any space, or in the Common Areas of the Building, any hand-trucks except those equipped with rubber tires and side guards or other material-handling equipment as City may approve. No other vehicles of any kind may be brought by Tenant into the Building or kept in or about the Premises.

**17.** Tenant will store all its trash and garbage within the Premises until it is removed to the location in the Building as designated from time to time by City. No material may be placed in the Building trash boxes or receptacles if the material is of a nature that it may not be disposed of in the ordinary and customary manner of removing and disposing of trash and garbage in the City of San Francisco without being in violation of any Legal Requirements governing its disposal.

**18.** All loading and unloading of merchandise, supplies, materials, garbage, and refuse will be made only through the entryways and freight elevators and at the times as City may designate. In its use of the loading areas of the Building, Tenant may not obstruct or permit the obstruction of the loading areas, and at no time may Tenant park vehicles in the loading areas except for immediate loading and unloading purposes.

- 19.** Canvassing, soliciting, peddling, or distribution of handbills or any other written material in the Building is prohibited and Tenant will cooperate to prevent the forgoing.
- 20.** Upon City's request (which request need not be in writing), Tenant will immediately reduce its lighting in the Premises for temporary periods designated by City, when required in City's judgment to prevent overloads of the mechanical or electrical systems of the Building.
- 21.** City reserves the right to select the name of the Building and change of name as it deems appropriate from time to time, and Tenant will not refer to the Building by any name other than **(a)** the name as selected by City (as the same may be changed from time to time), or **(b)** the postal address approved by the United States Post Office. Tenant will not use the name of the Building in any respect other than as an address of its operation in the Building without City's prior written consent.
- 22.** Tenant assumes all responsibility for protecting its Premises from theft, robbery, and pilferage, which includes keeping doors locked and other means of entry closed.
- 23.** No vending machine may be maintained or operated within the Premises or the Building without City's prior written consent.
- 24.** All incoming mail and package deliveries will be received at the area in the Building designated by City for that purposes and distributed through means established by City. No messenger or other delivery personnel will be permitted to enter any area of the Building other than the area designated by City for the pick-up and receipt of deliveries.
- 25.** City reserves the right to exclude or expel from the Building any person who is, in City's judgment, intoxicated or under the influence of alcohol or other drug or who is in violation of any of the Rules or Regulations of the Building.
- 26.** No animal or bird is permitted in the Premises or the Building, except for service animals when in the company of their masters.
- 27.** The requirements of Tenant will be attended to only on request received by telephone or writing or in person at the management office of the Building. City employees will not perform any work or do anything outside of their regular duties unless under special instructions from City.
- 28.** City may waive any one or more of these Rules and Regulations for the benefit of any particular tenant or tenants, but no waiver by City may be construed as a waiver of these Rules and Regulations in favor of any other tenant or tenants, or prevent City from later enforcing any Rules and Regulations against any or all of the tenants of the Building.
- 29.** Wherever the word "Tenant" occurs in these Rules and Regulations, it means Tenant's associates, agents, clerks, employees, and visitors. Wherever the word "City" occurs in these Rules and Regulations, it means City's assigns, agents, officers, employees, and visitors.
- 30.** These Rules and Regulations are in addition to, and will not be construed in any way to modify, alter, or amend, in whole or part, the terms, covenants, agreements, and conditions of any lease of premises in the Building.



**31.** City reserves the right to make other and reasonable rules and regulations as in its judgment may from time to time be needed for the safety, care, and cleanliness of the Building, and for the preservation of good order.

**32.** Tenant will be responsible for the observance of all the Rules and Regulations by Tenant's employees, agents, clients, customers, invitees, and guests.

## **EXHIBIT F**

### **FIRST SOURCE HIRING AGREEMENT**

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

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

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

#### **1. DEFINITIONS**

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

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

#### **2. OEWD WORKFORCE SYSTEM PARTICIPATION**

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

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

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

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

Lessee will make good faith efforts to comply with its obligations under this Agreement.

Determination of good faith efforts shall be based on all of the following during the term of the Lease:

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

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

### 4. NOTICE

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

ATTN :Business Services, Office of Economic and Workforce Development  
1 South Van Ness Avenue, 5<sup>th</sup> Floor, San Francisco, CA  
94103 Email: [Business.Services@sfgov.org](mailto:Business.Services@sfgov.org)

## 5. MISCELLANEOUS

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

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

Date:\_\_\_\_\_

By:\_\_\_\_\_

Name:\_\_\_\_\_

Company:\_\_\_\_\_

Address:\_\_\_\_\_

Phone: \_\_\_\_\_

Email: \_\_\_\_\_

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

Business Name: \_\_\_\_\_ Phone: \_\_\_\_\_  
Main Contact: \_\_\_\_\_ Email: \_\_\_\_\_

Signature of authorized representative\* \_\_\_\_\_ Date \_\_\_\_\_

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

Instructions:

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

Section 1: Select your Industry

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

Section 2: Describe Primary Business Activity

\_\_\_\_\_

Section 3: Provide information on all Entry Level Positions

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

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

ATIN: Business Services  
Office of Economic and Workforce Development  
1 South Van Ness Avenue, 5th Floor, San Francisco, CA 94103  
Tel: 415-701-4848  
Fax: 415-701-4897

<mailto:Business.Services@sfgov.org>

Website: [www.workforcedevelopmentsf.org](http://www.workforcedevelopmentsf.org)









**EXHIBIT C****Tenant Capital Improvement Projects Plan**

| <b>Year</b> | <b>Project Description</b>                                                                                                                                                                                                                                      | <b>Value/Cost</b> |
|-------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|
| 2025        | Exterior lighting project, surrounding the building, allowing for multicolor dramatic lighting. Interior lighting upgraded as well with Hue color lighting system, (\$38,247)<br><br>Security camera upgrade. (\$8,568)<br><br>Replace elevator door (\$56,529) | \$103,344         |
| 2026        | Main waterline replacement (est. \$17,393)<br><br>Restroom Remodel (est. replace all fixtures, ADA upgrade, title 24 compliance all done to meet historic requirements) \$192,276 est.<br><br>Full elevator modernization project (\$181,880).                  | \$391,549         |
|             | <b>Total:</b>                                                                                                                                                                                                                                                   | <b>\$477,500</b>  |

DocuSigned by:

*Jordan Langer*

66459E62C8204B9...

non  
plus  
ultra+



**The Old San Francisco Mint**  
**OCTOBER 2, 2024**



Table of Contents

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| • 2026                       | 9    |
| • 2027                       | 10   |
| • 2028                       | 11   |





## Revenue Projections 2025 - 2029

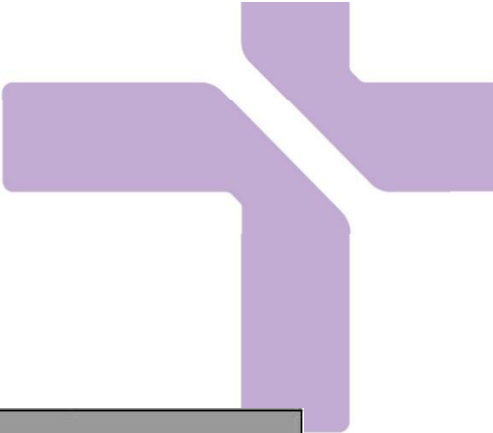
| <b>Year</b> | <b>NPU Gross Sales</b> | <b>Participation Rent</b> |
|-------------|------------------------|---------------------------|
| <b>2025</b> | \$1,511,904            | \$151,190                 |
| <b>2026</b> | \$1,663,095            | \$166,309                 |
| <b>2027</b> | \$1,862,666            | \$186,267                 |
| <b>2028</b> | \$1,899,919            | \$189,992                 |
| <b>2029</b> | \$1,918,918            | \$191,892                 |
|             | <b>\$8,856,502</b>     | <b>\$885,650</b>          |



# Overview: Capital Improvement Projects



- The goal of the selected projects is to:
  - Maintain the The Old San Francisco Mint and prevent further deterioration to the extent possible
  - Make reasonable upgrades to the building that are important to event clients
- NPU is committed to completing the projects outlined below over the next 4-5 years
- All pricing is estimated and subject to change



# 2024 Improvement Projects

Have been or will be completed by EOY 2024

| The San Francisco Mint Maintenance + Upgrade Schedule |                      |                        |                                                                                                                                            |                    |
|-------------------------------------------------------|----------------------|------------------------|--------------------------------------------------------------------------------------------------------------------------------------------|--------------------|
| 2024                                                  |                      |                        |                                                                                                                                            |                    |
| Item                                                  | Maintenance/ Upgrade | Project Total Estimate | Scope                                                                                                                                      | Final Project Cost |
| Full exterior deep clean                              | Maintenance          | \$24,261.76            | Pressue wash and scrub exterior building. apply masonry cleaning solution. access via boom lift                                            | \$24,261.76        |
| Landscape refresh                                     | Maintenance          | \$8,597.00             | Remove all weeds and debris. Mitigate rodent burrows. Add top new top layer of decomposed granite. Fork lift to offload decomposed granite | \$8,597            |
| Garden fence/gate painting                            | Maintenance          | \$4,970.00             | Repaint garden fencing and gate along 5th and Misson street(s)                                                                             | \$4,970            |
| Deep clean of Main Level                              | Maintenance          | \$4,100.00             | 3 weeks of deep cleaning floor to ceiling with gentle cleanser to remove built up dust. Start in ballrooms, most used                      |                    |
| 2024 Project Totals                                   |                      | \$41,928.76            |                                                                                                                                            |                    |



# 2025 Improvement Projects

| The San Francisco Mint Maintenance + Upgrade Schedule                  |                         |                           |                   |                                                                                                                                                                                                                         |                                      |
|------------------------------------------------------------------------|-------------------------|---------------------------|-------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|
| 2025                                                                   |                         |                           |                   |                                                                                                                                                                                                                         |                                      |
| Item                                                                   | Maintenance/<br>Upgrade | Project Total<br>Estimate | NPU Contribution  | Scope                                                                                                                                                                                                                   | Notes                                |
| <b>Exterior lighting install bid (all 4 sides) - building uplights</b> | <b>Upgrade</b>          |                           |                   | Install 80 fully programmable exterior lights along all columns surrounding the building. Access via boom lift. NPU committed to front portion of the building. Requested funding from the city for additional 3 sides. | \$145k requested from Mayor's office |
| - Lighting Install + Labor                                             |                         | \$116,430.00              |                   |                                                                                                                                                                                                                         |                                      |
| - Electrician                                                          |                         | \$62,234.00               |                   |                                                                                                                                                                                                                         |                                      |
| - Equipment Rentals (estimated at 2 weeks)                             |                         | \$5,000.00                |                   |                                                                                                                                                                                                                         |                                      |
|                                                                        | <b>Subtotal</b>         | <b>\$183,664.00</b>       | <b>\$38,247</b>   |                                                                                                                                                                                                                         |                                      |
| <b>Exterior Lighting</b>                                               | <b>Maintenance</b>      |                           |                   |                                                                                                                                                                                                                         |                                      |
| - Globe replacements                                                   |                         | \$1,477.85                | \$1,477.85        |                                                                                                                                                                                                                         |                                      |
| - Base Plates                                                          |                         | \$894.76                  | \$894.76          |                                                                                                                                                                                                                         |                                      |
| - Electrician                                                          |                         | \$2,000.00                | \$2,000.00        |                                                                                                                                                                                                                         |                                      |
|                                                                        | <b>Subtotal</b>         | <b>\$4,372.61</b>         | <b>\$4,372.61</b> |                                                                                                                                                                                                                         |                                      |
| <b>Restroom Remodel</b>                                                |                         |                           |                   |                                                                                                                                                                                                                         |                                      |
| - Architectural Planning for 2026 execution                            |                         | \$15,000.00               | \$15,000          |                                                                                                                                                                                                                         |                                      |
|                                                                        | <b>Subtotal</b>         | <b>\$15,000.00</b>        | <b>\$15,000</b>   |                                                                                                                                                                                                                         |                                      |
| <b>Interior Lighting</b>                                               | <b>Upgrade</b>          |                           |                   |                                                                                                                                                                                                                         |                                      |
| - Hue Lights                                                           |                         |                           | \$3,900           | (70) hue lights, (2) bridges                                                                                                                                                                                            |                                      |
| - Replace chandelier globes as needed                                  |                         |                           | \$800             | (4) currently need replacing, typically have to replace (4-5)/year                                                                                                                                                      |                                      |
|                                                                        | <b>Subtotal</b>         |                           | <b>\$4,700</b>    |                                                                                                                                                                                                                         |                                      |
| <b>Interior Touch Ups</b>                                              | <b>Maintenance</b>      |                           |                   |                                                                                                                                                                                                                         |                                      |
| - Painting                                                             |                         |                           | \$67,450          | Stairwells, main level hall, foyer, column room, salons                                                                                                                                                                 |                                      |
| - Door Repairs                                                         |                         |                           | \$1,800           | Missing doorhandles/taking doors down, etc                                                                                                                                                                              |                                      |
| - Window Repairs                                                       |                         |                           | \$5,270           | (11) Replace foggy windows, (8) Ground level broken windows, budget for additional broken windows estimated at 1x per month                                                                                             |                                      |
|                                                                        | <b>Subtotal</b>         |                           | <b>\$74,520</b>   |                                                                                                                                                                                                                         |                                      |

Additional 2025 Projects  
continue on next slide

# 2025 Improvement Projects Continued

|                                  |                           |            |                  |                                                                                                                       |  |
|----------------------------------|---------------------------|------------|------------------|-----------------------------------------------------------------------------------------------------------------------|--|
| <b>Shutter Clean Up</b>          | <b>Maintenance</b>        |            |                  |                                                                                                                       |  |
| - Paint touch ups                |                           |            | \$23,080         | (138) shutters between main and ground level. Includes labor + supplies                                               |  |
| - Missing shutters               |                           |            | \$3,600          | (9) missing. Build custom shutters to replace. Materials + labor                                                      |  |
| - Hardware                       |                           |            | \$2,700          | (9) custom build shutter replacements - (3-4) pieces per shutter                                                      |  |
|                                  | <b>Subtotal</b>           |            | <b>\$29,380</b>  |                                                                                                                       |  |
| <b>Security Cameras</b>          | <b>Upgrade</b>            |            | \$8,524          | Outdoor (2) cameras at employee entrance + loading dock<br>Indoor (12) cameras at entry points and main thoroughfares |  |
|                                  | <b>Subtotal</b>           |            | <b>\$8,524</b>   |                                                                                                                       |  |
| <b>Life Safety Upgrades</b>      | <b>Upgrade</b>            |            |                  |                                                                                                                       |  |
| - Updates to all exit signage    |                           | \$5,500.00 | \$5,500          | Main level exit signage                                                                                               |  |
| - Electrician for wiring         |                           |            | \$2,200          |                                                                                                                       |  |
|                                  | <b>Subtotal</b>           |            | <b>\$7,700</b>   |                                                                                                                       |  |
| <b>Loading Dock Area Refresh</b> | <b>Upgrade</b>            |            |                  |                                                                                                                       |  |
| - New lighting                   |                           | \$9,750.00 | \$9,750          | Hang 45 new lights and add power as needed                                                                            |  |
| - Paint                          |                           |            | \$11,500         | Labor + Materials                                                                                                     |  |
|                                  | <b>Subtotal</b>           |            | <b>\$21,250</b>  |                                                                                                                       |  |
| <b>Single Man Basket Lift</b>    | <b>Maintenance</b>        |            | \$15,000         | Used lift for deep cleaning and painting projects                                                                     |  |
|                                  | <b>Subtotal</b>           |            | <b>\$15,000</b>  |                                                                                                                       |  |
| <b>Ongoing Roof Repairs</b>      | <b>Maintenance</b>        |            | \$10,000         |                                                                                                                       |  |
|                                  | <b>Subtotal</b>           |            | <b>\$10,000</b>  |                                                                                                                       |  |
|                                  |                           |            |                  |                                                                                                                       |  |
|                                  | <b>2025 Project Total</b> |            | <b>\$228,694</b> |                                                                                                                       |  |

# 2026 Improvement Projects

| The San Francisco Mint Maintenance + Upgrade Schedule |                         |                  |                                                                                        |       |
|-------------------------------------------------------|-------------------------|------------------|----------------------------------------------------------------------------------------|-------|
| 2026                                                  |                         |                  |                                                                                        |       |
| Item                                                  | Maintenance/<br>Upgrade | NPU Contribution | Scope                                                                                  | Notes |
| <b>Interior Painting</b>                              | <b>Maintenance</b>      |                  | Detailed paint touch ups in the ballrooms                                              |       |
| - Touch up ballrooms where peeling                    |                         | \$2,900          |                                                                                        |       |
|                                                       | <b>Subtotal</b>         | <b>\$2,900</b>   |                                                                                        |       |
|                                                       |                         |                  |                                                                                        |       |
| <b>Restroom Remodel</b>                               | <b>Upgrade</b>          |                  | Restrooms remodeled and upgraded on the main and vault levels. (4) restrooms in total. |       |
| - Materials                                           |                         | \$60,004         |                                                                                        |       |
| - Labor                                               |                         | \$82,800         |                                                                                        |       |
| - Contingency @15%                                    |                         | \$21,421         |                                                                                        |       |
|                                                       | <b>Subtotal</b>         | <b>\$164,225</b> |                                                                                        |       |
|                                                       |                         |                  |                                                                                        |       |
| <b>Replace Main Water Line</b>                        |                         | \$25,000         | Replace current pipe with new copper pipe                                              |       |
|                                                       | <b>Subtotal</b>         | <b>\$25,000</b>  |                                                                                        |       |
|                                                       |                         |                  |                                                                                        |       |
| <b>Ongoing Roof Repairs</b>                           |                         | \$10,000         | Repairs as needed                                                                      |       |
|                                                       | <b>Subtotal</b>         | <b>\$10,000</b>  |                                                                                        |       |
|                                                       |                         |                  |                                                                                        |       |
| <b>Deep Clean of Main Level</b>                       |                         | \$5,000          |                                                                                        |       |
|                                                       | <b>Subtotal</b>         | <b>\$5,000</b>   |                                                                                        |       |
|                                                       |                         |                  |                                                                                        |       |
| <b>2026 Project Total</b>                             |                         | <b>\$207,125</b> |                                                                                        |       |

# 2027 Improvement Projects

| The San Francisco Mint Maintenance + Upgrade Schedule |                         |                           |                  |                                                                                         |       |
|-------------------------------------------------------|-------------------------|---------------------------|------------------|-----------------------------------------------------------------------------------------|-------|
| 2027                                                  |                         |                           |                  |                                                                                         |       |
| Item                                                  | Maintenance/<br>Upgrade | Project Total<br>Estimate | NPU Contribution | Scope                                                                                   | Notes |
| Mint/Gold Ballroom Floor Refinish                     | Maintenance             |                           | \$9,000          | Remove outlets in floors, install wooden caps, sand and refinish                        |       |
|                                                       |                         | Subtotal                  | \$9,000          |                                                                                         |       |
|                                                       |                         |                           |                  |                                                                                         |       |
| Reseal Courtyard                                      |                         |                           | TBD              | Currently leaks, need to determine source of leak when it rains in order to get pricing |       |
|                                                       |                         | Subtotal                  | TBD              |                                                                                         |       |
|                                                       |                         |                           |                  |                                                                                         |       |
| Preparation for Elevator Replacement in 2028          |                         |                           | \$250,000        |                                                                                         |       |
|                                                       |                         | Subtotal                  | \$250,000        |                                                                                         |       |
|                                                       |                         |                           |                  |                                                                                         |       |
|                                                       |                         | 2027 Project Total        | \$259,000        |                                                                                         |       |

# 2028 Improvement Projects

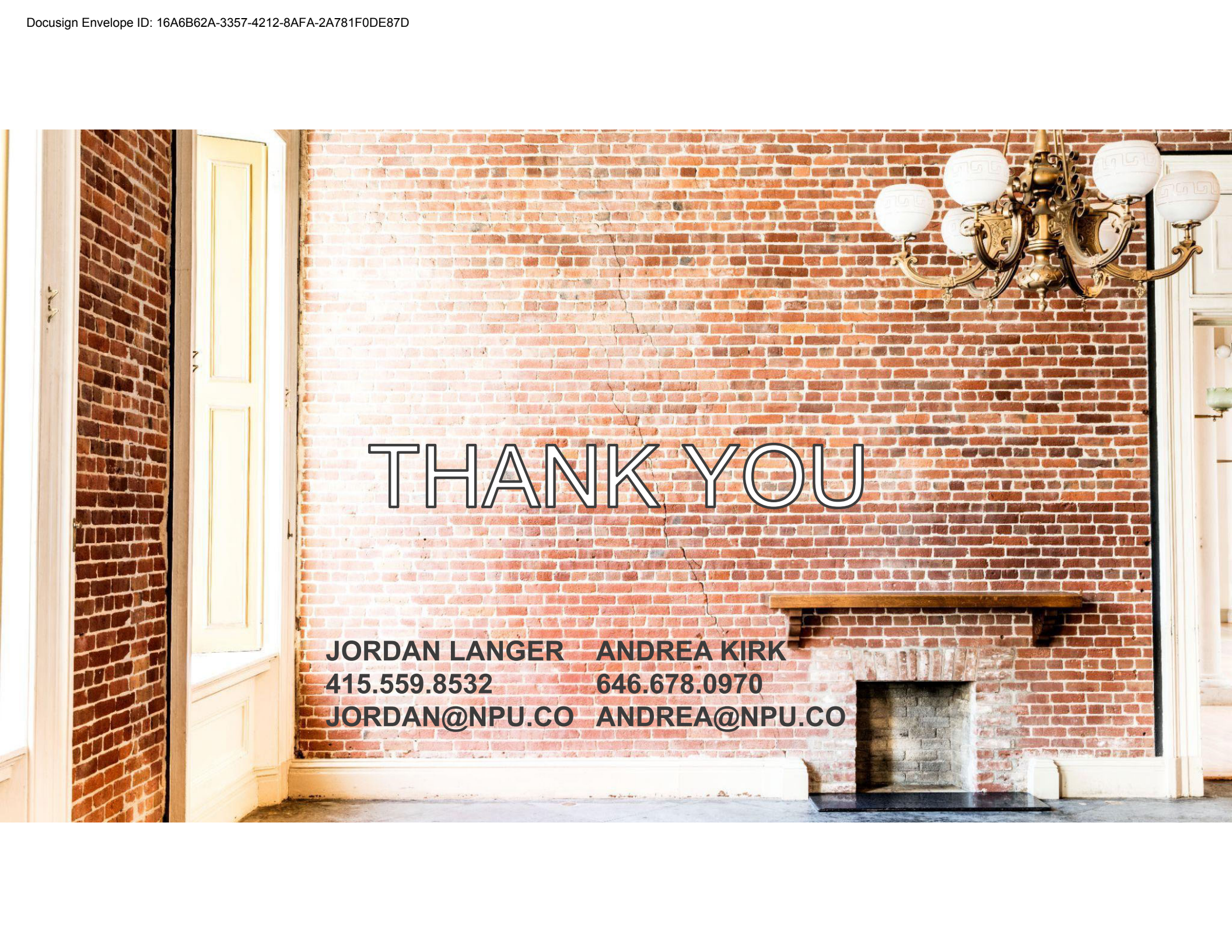


| The San Francisco Mint Maintenance + Upgrade Schedule |                         |                           |                  |       |       |
|-------------------------------------------------------|-------------------------|---------------------------|------------------|-------|-------|
| 2028                                                  |                         |                           |                  |       |       |
| Item                                                  | Maintenance/<br>Upgrade | Project Total<br>Estimate | NPU Contribution | Scope | Notes |
| Final Elevator Replacement                            |                         |                           | \$250,000        |       |       |
|                                                       |                         | Subtotal                  | \$250,000        |       |       |
|                                                       |                         |                           |                  |       |       |
| Ongoing Roof Repair                                   |                         |                           | \$5,000          |       |       |
|                                                       |                         | Subtotal                  | \$5,000          |       |       |
|                                                       |                         |                           |                  |       |       |
|                                                       | 2028 Project Total      |                           | \$255,000        |       |       |









# THANK YOU

**JORDAN LANGER    ANDREA KIRK**  
**415.559.8532       646.678.0970**  
**JORDAN@NPU.CO    ANDREA@NPU.CO**



**City & County of San Francisco**  
Daniel Lurie, Mayor



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

August 25th, 2025

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 Agreement – The United States Old Mint, 88 5<sup>th</sup> Street, San Francisco

Dear Board Members:

Attached, for your consideration, is a Resolution authorizing and approving a lease agreement for The Old United States Mint ("Old Mint"), located at 88 5<sup>th</sup> Street, with Non-Plus Ultra, Inc. ("NPU")

The Old Mint operated from 1874 to 1937 and has been designated a National Historic Landmark. The City acquired the Old Mint from the Federal Government in 2003, and the Office of Economic and Workforce Development ("OEWD") has been working to develop the site as a permanent cultural facility and to restore the building for long term use. On June 3<sup>rd</sup>, 2016, the City issued a Request for Proposals to lease the Old Mint while planning proceeded for the restoration of the building and compatible future uses were considered. Activate San Francisco Events, Inc., now incorporated as NPU, was selected as the tenant and successfully operated and maintained the building during the term of the lease until the pandemic curtailed their business in addition to OEWD's plans for the building.

NPU entered into a new Lease with the City on March 1, 2020, just prior to the City issuing the emergency shelter in place order due to the Covid-19 pandemic. During the pandemic NPU continued to operate and maintain the premises, however fell behind in rent payments and currently owes the City \$163,000 in past due rent. This legislation provides for forgiveness of the remaining arrearage in exchange for NPU performing a capital improvement plan to the City owned building.

The proposed resolution would approve a new lease with NPU to continue their tenancy at the Old Mint. The lease is intended as a bridge to further the City's long-term restoration goals and will keep the building active and maintained while plans progress. NPU, hosting a variety of ticketed events, specializes in adaptive reuse, breathing new life into architecturally significant properties while maintaining their historical integrity. Their dedicated in-house facilities team oversees ongoing maintenance, restoration projects, and emergency repairs to safeguard the Old Mint's heritage. Given the site's unique needs, NPU employs two full-time facilities team members exclusively for its upkeep. Their responsibilities include daily pressure washing, graffiti removal, and addressing safety concerns such as broken windows. With an on-site presence, the team can respond swiftly to maintenance issues, ensuring The Old Mint remains in the most presentable condition.



The Real Estate Division (RED) in consultation with OEWD and City Attorney negotiated the proposed new lease with NPU for an initial term of five years with three five-year Options to Extend. Should, during the term of the lease or extension, resources become available to accelerate the Old Mint restoration project the City can elect to terminate this lease without penalty with one year notice to NPU. NPU shall pay during the initial term of the lease 10% of the gross revenue received by third parties without offset, pay for its own utilities and services, and any taxes or assessments due. In addition, NPU, at its sole cost expense, will make improvements to the property provided in its Capital Improvement Plan, attached as an exhibit to the lease, during the initial term of the lease. The Capital Improvement Plan is currently valued at \$491,849.

The Real Estate Division and Office of Economic and Workforce Development recommend approval of the proposed lease agreement.

If you have any questions regarding this matter, please get in touch with our office at 415-554-9850

Respectfully,



Sally Oerth  
Director of Real Estate



## San Francisco Ethics Commission

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

Phone: 415.252.3100 . Fax: 415.252.3112

[ethics.commission@sfgov.org](mailto:ethics.commission@sfgov.org) . [www.sfethics.org](http://www.sfethics.org)

Received On:

File #: 250826

Bid/RFP #:

### Notification of Contract Approval

SFEC Form 126(f)4

(S.F. Campaign and Governmental Conduct Code § 1.126(f)4)

A Public Document

Each City elective officer who approves a contract that has a total anticipated or actual value of \$100,000 or more must file this form with the Ethics Commission within five business days of approval by: (a) the City elective officer, (b) any board on which the City elective officer serves, or (c) the board of any state agency on which an appointee of the City elective officer serves. For more information, see: <https://sfethics.org/compliance/city-officers/contract-approval-city-officers>

#### 1. FILING INFORMATION

|                                                             |                                                     |
|-------------------------------------------------------------|-----------------------------------------------------|
| <b>TYPE OF FILING</b>                                       | <b>DATE OF ORIGINAL FILING (for amendment only)</b> |
| Original                                                    |                                                     |
| <b>AMENDMENT DESCRIPTION – Explain reason for amendment</b> |                                                     |
|                                                             |                                                     |

#### 2. CITY ELECTIVE OFFICE OR BOARD

|                        |                                      |
|------------------------|--------------------------------------|
| <b>OFFICE OR BOARD</b> | <b>NAME OF CITY ELECTIVE OFFICER</b> |
| Board of Supervisors   | Members                              |

#### 3. FILER'S CONTACT

|                                  |                                |
|----------------------------------|--------------------------------|
| <b>NAME OF FILER'S CONTACT</b>   | <b>TELEPHONE NUMBER</b>        |
| Angela Calvillo                  | 415-554-5184                   |
| <b>FULL DEPARTMENT NAME</b>      | <b>EMAIL</b>                   |
| Office of the Clerk of the Board | Board.of.Supervisors@sfgov.org |

#### 4. CONTRACTING DEPARTMENT CONTACT

|                                     |                                            |
|-------------------------------------|--------------------------------------------|
| <b>NAME OF DEPARTMENTAL CONTACT</b> | <b>DEPARTMENT CONTACT TELEPHONE NUMBER</b> |
| Michael Halpren                     | 415-554-9850                               |
| <b>FULL DEPARTMENT NAME</b>         | <b>DEPARTMENT CONTACT EMAIL</b>            |
| GSA                      RED        | michael.halpren@sfgov.org                  |

| 5. CONTRACTOR                                                                                          |                                             |
|--------------------------------------------------------------------------------------------------------|---------------------------------------------|
| <b>NAME OF CONTRACTOR</b><br><br>NPU, Inc.                                                             | <b>TELEPHONE NUMBER</b><br><br>646-678-0970 |
| <b>STREET ADDRESS (including City, State and Zip Code)</b><br><br>88 5th Street San Francisco CA 94103 | <b>EMAIL</b><br><br>jordan@npu.co           |

| 6. CONTRACT                                                                                                                                                                                                                                |                                |                                              |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|----------------------------------------------|
| <b>DATE CONTRACT WAS APPROVED BY THE CITY ELECTIVE OFFICER(S)</b>                                                                                                                                                                          | <b>ORIGINAL BID/RFP NUMBER</b> | <b>FILE NUMBER (If applicable)</b><br>250826 |
| <b>DESCRIPTION OF AMOUNT OF CONTRACT</b><br><br>five-year lease w/ three five-year options to extend 10% of gross monthly revenue                                                                                                          |                                |                                              |
| <b>NATURE OF THE CONTRACT (Please describe)</b><br><br>A five-year lease with three five-year options to extend 10% of gross monthly revenue generated by NPU, Inc. as a participation rent for events held at the Old United States Mint. |                                |                                              |

| 7. COMMENTS |
|-------------|
|             |

| 8. CONTRACT APPROVAL                |                                                                                                                |
|-------------------------------------|----------------------------------------------------------------------------------------------------------------|
| This contract was approved by:      |                                                                                                                |
| <input type="checkbox"/>            | THE CITY ELECTIVE OFFICER(S) IDENTIFIED ON THIS FORM                                                           |
| <input checked="" type="checkbox"/> | A BOARD ON WHICH THE CITY ELECTIVE OFFICER(S) SERVES<br>Board of Supervisors                                   |
| <input type="checkbox"/>            | THE BOARD OF A STATE AGENCY ON WHICH AN APPOINTEE OF THE CITY ELECTIVE OFFICER(S) IDENTIFIED ON THIS FORM SITS |

**9. AFFILIATES AND SUBCONTRACTORS**

List the names of (A) members of the contractor's board of directors; (B) the contractor's principal officers, including chief executive officer, chief financial officer, chief operating officer, or other persons with similar titles; (C) any individual or entity who has an ownership interest of 10 percent or more in the contractor; and (D) any subcontractor listed in the bid or contract.

| #  | LAST NAME/ENTITY/SUBCONTRACTOR | FIRST NAME | TYPE        |
|----|--------------------------------|------------|-------------|
| 1  | Langer                         | Jordan     | Shareholder |
| 2  | Glikshtern                     | Peter      | Shareholder |
| 3  | Peterson                       | David      | Shareholder |
| 4  |                                |            |             |
| 5  |                                |            |             |
| 6  |                                |            |             |
| 7  |                                |            |             |
| 8  |                                |            |             |
| 9  |                                |            |             |
| 10 |                                |            |             |
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**9. AFFILIATES AND SUBCONTRACTORS**

List the names of (A) members of the contractor's board of directors; (B) the contractor's principal officers, including chief executive officer, chief financial officer, chief operating officer, or other persons with similar titles; (C) any individual or entity who has an ownership interest of 10 percent or more in the contractor; and (D) any subcontractor listed in the bid or contract.

| #  | LAST NAME/ENTITY/SUBCONTRACTOR | FIRST NAME | TYPE |
|----|--------------------------------|------------|------|
| 20 |                                |            |      |
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### 9. AFFILIATES AND SUBCONTRACTORS

List the names of (A) members of the contractor's board of directors; (B) the contractor's principal officers, including chief executive officer, chief financial officer, chief operating officer, or other persons with similar titles; (C) any individual or entity who has an ownership interest of 10 percent or more in the contractor; and (D) any subcontractor listed in the bid or contract.

| #  | LAST NAME/ENTITY/SUBCONTRACTOR | FIRST NAME | TYPE |
|----|--------------------------------|------------|------|
| 39 |                                |            |      |
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| 50 |                                |            |      |

☐ Check this box if you need to include additional names. Please submit a separate form with complete information. Select "Supplemental" for filing type.

### 10. VERIFICATION

I have used all reasonable diligence in preparing this statement. I have reviewed this statement and to the best of my knowledge the information I have provided here is true and complete.

**I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.**

|                                                                       |                    |
|-----------------------------------------------------------------------|--------------------|
| <b>SIGNATURE OF CITY ELECTIVE OFFICER OR BOARD SECRETARY OR CLERK</b> | <b>DATE SIGNED</b> |
| BOS Clerk of the Board                                                |                    |



TO: Angela Calvillo, Clerk of the Board of Supervisors  
FROM: Adam Thongsavat, Liaison to the Board of Supervisors  
RE: Real Property Lease – NPU, Inc., a California corporation – Old United States Mint, 88 Fifth Street  
– 10% of the gross monthly revenue generated by NPU, Inc. as participation rent for events held  
at the Old United States Mint  
DATE: July 29, 2025

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Resolution authorizing and approving the Director of Property to execute a Lease Agreement for five years with three five-year options to extend the term, with NPU, Inc. for the continued use of the Old Mint located at 88 5th Street, paying as participation rent 10% of the gross monthly revenue generated from their use of the Old Mint; and authorizing the Director of Property to execute any amendments or modifications to the Lease including exercising options to extend the agreement term, make certain modifications and take certain actions that do not materially increase the obligations or liabilities to the City, and do not material decrease the benefits to the City and are necessary to effectuate the purposes of the Lease or this Resolution.

Should you have any questions, please contact Adam Thongsavat at [adam.thongsavat@sfgov.org](mailto:adam.thongsavat@sfgov.org)