

LEASE AMENDMENT

THIS AMENDMENT (this "Amendment") is made as of 8/30/2021, 2021, in San Francisco, California, by and between TOWNSEND ASSOCIATES LLC a California limited liability corporation ("Landlord") and the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation ("City" or "Tenant").

RECITALS

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

A. City and Landlord have previously entered into an existing lease agreement, dated as of May 9, 2016 (the "Original Lease"), for the lease of a portion of the building located at 650 Fifth Street (the "Building"), San Francisco, California.

B. Landlord has leased to City the premises in the Building identified in the Basic Lease Information of the Original Lease (the "Premises"). City is using the Premises for office, counseling, public services, and such other uses as specified in the Basic Lease Information.

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

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

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

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

Term (Section 3):

Estimated commencement date:
July 1, 2016

Expiration date:
June 30, 2026

Base Rent (**Section 4.1**):

Annual Base Rent
July 1, 2016 – June 30, 2021: \$177,480
(\$58 per sq. ft.)
Monthly payments: \$14,790
(\$4.83 per sq. ft.)

July 1, 2021 – June 30, 2026: \$159,200
(\$52 per sq. ft.)
Monthly payments: \$13,260
(\$4.33 per sq. ft.)

Base Rent Adjustment (Section 4.2): Base Rent will escalate by 3% on July 1, 2022, and on each July 1 thereafter during the Term.

Extension Options (Section 3.3): Two (2) additional terms of one (1) year each, exercisable by City by notice to Landlord given not less than one hundred eighty (180) days in advance, with rent equal to 95% of prevailing market rate.

3. **Adjustments in Base Rent.** Section 4.2 of the Original Lease is deleted and replaced with the following:

4.2 Adjustments in Base Rent

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

On each Adjustment Date, the Base Rent for the following twelve-month period will be adjusted to equal one hundred three percent (103%) of the Base Rent for the lease year preceding the Adjustment Date.

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

5. **Attorneys Fees.** In the event a dispute arises concerning this Amendment, the party not prevailing in such dispute shall pay any and all costs and expenses incurred by the other party in enforcing or establishing its rights hereunder, including, without limitation, court costs and reasonable attorneys' fees. For purposes of this Amendment, reasonable fees of attorneys of City's Office of the City Attorney shall be based on the fees regularly charged by private attorneys with the equivalent number of years of experience in the subject matter area of the law for which the City Attorney's services were rendered who practice in the City of San Francisco in law firms with approximately the same number of attorneys as employed by the Office of the City Attorney.

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

7. **Applicable Law.** This Amendment shall be governed by, construed and enforced in accordance with the laws of the State of California.

8. **Notification of Prohibition on Contributions.** By executing this Lease, Landlord acknowledges its obligations under section 1.126 of the City's Campaign and Governmental Conduct Code, which prohibits any person who leases, or seeks to lease, to or from any department of the City any land or building from making any campaign contribution to (a) a City elected official if the lease must be approved by that official, (b) a candidate for that City elective office, or (c) a committee controlled by that elected official or a candidate for that office, at any time from the submission of a proposal for the lease until the later of either the termination of negotiations for the lease or twelve (12) months after the date the City approves the lease. Landlord acknowledges that the foregoing restriction applies only if the lease or a combination or series of leases or other contracts approved by the same individual or board in a fiscal year

have a total anticipated or actual value of one hundred thousand dollars (\$100,000) or more. Landlord further acknowledges that (i) the prohibition on contributions applies to each prospective party to the lease; any person with an ownership interest of more than 10 percent (10%) in Landlord; any subcontractor listed in the lease; and any committee that is sponsored or controlled by Landlord; and (ii) within thirty (30) days of the submission of a proposal for the Lease, the City department with whom Landlord is leasing is obligated to submit to the Ethics Commission the parties to the lease and any subcontractor. Additionally, Landlord certifies that it has informed each such person of the limitation on contributions imposed by Section 1.126 by the time it submitted a proposal for the lease, and has provided the names of the persons required to be informed to the City department with whom it is leasing.

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

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

10. Taxes, Assessments, Licenses, Permit Fees, and Liens. 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 to the County Assessor not later than sixty (60) days after the Effective Date, and any failure of Tenant to timely provide a copy of this Lease to the County Assessor will be a default under this Lease.

11. Consideration of Salary History. Tenant shall comply with San Francisco Administrative Code Chapter 12K, the Consideration of Salary History Ordinance or "Pay Parity Act." For each employment application to Tenant for work that relates to this Agreement or for work to be performed in the City or on City property, Tenant is prohibited from considering current or past salary of an applicant in determining whether to hire the applicant or what salary to offer the applicant. Tenant shall not (1) ask such applicants about their current or past salary or (2) disclose a current or former employee's salary history without that employee's authorization unless the salary history is publicly available. Tenant is subject to the enforcement and penalty provisions in Chapter 12K. Information about Chapter 12K is available on the web at <https://sfgov.org/olse/consideration-salary-history>.

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

13. Effective Date. This Amendment shall become effective on the date (the "Effective Date") that (i) the City's Board of Supervisors enacts such resolution authorizing this Amendment and (ii) the Amendment is fully executed and delivered by both parties.

14. Miscellaneous. Except as expressly modified herein, the terms, covenants and conditions of the Lease shall remain unmodified and in full force and effect. The Lease as amended by this Amendment constitutes the entire agreement of the parties concerning the subject matter hereof, and supersedes and conceals any and all previous negotiations,

agreements, or understandings, if any, regarding the matters contained herein. The execution of this Amendment shall not constitute a waiver of relinquishment of any rights which the City may have relating to the Lease. Landlord and City hereby ratify and confirm all of the provisions of the Lease as amended by this Amendment.

NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS AMENDMENT, LANDLORD ACKNOWLEDGES AND AGREES THAT NO OFFICER OR EMPLOYEE OF CITY HAS AUTHORITY TO COMMIT CITY HERETO UNLESS AND UNTIL CITY'S BOARD OF SUPERVISORS SHALL HAVE DULY ADOPTED A RESOLUTION APPROVING THIS AMENDMENT AND AUTHORIZING CONSUMMATION OF THE TRANSACTION CONTEMPLATED HEREBY. THEREFORE, ANY OBLIGATIONS OR LIABILITIES OF CITY HEREUNDER ARE CONTINGENT UPON ADOPTION OF SUCH A RESOLUTION, AND THIS AMENDMENT SHALL BE NULL AND VOID UNLESS CITY'S MAYOR AND BOARD OF SUPERVISORS APPROVE THIS AMENDMENT, IN THEIR RESPECTIVE SOLE AND ABSOLUTE DISCRETION, AND IN ACCORDANCE WITH ALL APPLICABLE LAWS. APPROVAL OF THIS AMENDMENT BY ANY DEPARTMENT, COMMISSION OR AGENCY OF CITY SHALL NOT BE DEEMED TO IMPLY THAT SUCH RESOLUTION WILL BE ADOPTED NOR WILL ANY SUCH APPROVAL CREATE ANY BINDING OBLIGATIONS ON CITY.

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

LANDLORD: TOWNSEND ASSOCIATES LLC

DocuSigned by:
By: Peter Morse
Peter Morse
Its: Vice President

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

DocuSigned by:
By: Andrico Q. Penick
Andrico Q. Penick
Director of Property

RECOMMENDED:

DocuSigned by:
Greg Wagner
28527524752949F
Department of Public Health

APPROVED AS TO FORM:

DENNIS J. HERRERA, City Attorney

DocuSigned by:
By: Elizabeth Dietrich
Elizabeth A. Dietrich
Deputy City Attorney