

RECORDING REQUESTED BY:  
CITY AND COUNTY OF SAN FRANCISCO FINANCE CORPORATION

When Recorded Mail To:

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275 Battery Street, Suite 2600  
San Francisco, California 94111  
Attention: Nathan Treu, Esq.

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FIRST AMENDMENT TO MASTER LEASE

By and Between the

CITY AND COUNTY OF SAN FRANCISCO FINANCE CORPORATION, as lessor

and the

CITY AND COUNTY OF SAN FRANCISCO, as lessee

Dated as of June 1, 2018

NO DOCUMENTARY TRANSFER TAX

This First Amendment to Master Lease is exempt pursuant to  
Section 610.3 of the California Government Code

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THIS FIRST AMENDMENT TO MASTER LEASE (the “First Amendment to Lease”), is made and entered into as of June 1, 2018, by and between the CITY AND COUNTY OF SAN FRANCISCO FINANCE CORPORATION, a nonprofit public benefit corporation, duly organized and existing under and by virtue of the laws of the State of California, as lessor (the “Corporation”) and the CITY AND COUNTY OF SAN FRANCISCO, a charter city and county and municipal corporation, duly organized and existing under and by virtue of its Charter and the Constitution of the State of California, as lessee (the “City”).

## RECITALS

**WHEREAS**, the Corporation is a nonprofit public benefit corporation, duly organized and existing under and pursuant to the California Nonprofit Public Benefit Corporation Law, being Part 2 of Title 1 (commencing with Section 5110) of the California Corporation Code (the “Law”), and is authorized pursuant to the Law to borrow money for the purpose, among other things, of financing public capital improvements for the City; and

**WHEREAS**, the City and the Corporation previously entered into a Master Lease, dated as of March 1, 2009 (the “Master Lease”), by and between the Corporation as lessor and the City as lessee pursuant to Section 16.109(d) of the Charter, which provides for the City to enter into obligations, including lease financing obligations, secured by and/or repaid from any available funds pledged or appropriated by the Board of Supervisors of the City for the acquisition, construction, reconstruction, rehabilitation and/or improvement of real property and/or facilities that will be operated by the San Francisco Public Library (the “Library”) for Library purposes and for the purchase of equipment relating to such real property and/or facilities; and

**WHEREAS**, the City is entering into this First Amendment to Lease pursuant to Article XIII of the Master Lease and Section 16.109(d) of the Charter; the Master Lease, as supplemented by this First Amendment to Lease, is referred to herein as the “Lease”; and

**WHEREAS**, the Corporation and U.S. Bank National Association, a national banking association duly organized and existing under and by virtue of the laws of the United States, as successor trustee (the “Trustee”), previously entered into a Master Trust Agreement dated as of March 1, 2009 (the “Master Trust Agreement”) in connection with the issuance by the Corporation of \$34,265,000 in principal amount of Lease Revenue Bonds, Series 2009A (Branch Library Improvement Program) (the “Series 2009A Bonds”), proceeds of which Series 2009A Bonds were used to design and construct certain improvements (the “2009 Project”); and

**WHEREAS**, the Corporation will issue its \$[xx,xxx],000 principal amount of Refunding Lease Revenue Bonds, Series 2018B (Branch Library Improvement Program) (the “Series 2018 Bonds”) pursuant to the Master Trust Agreement and the First Supplemental Master Trust Agreement of even date herewith, between the Corporation and the Trustee (the “First Supplemental Trust Agreement” and, together with the Master Trust Agreement, the “Trust Agreement”); and

**WHEREAS**, the Corporation and the City intend to use a portion of the proceeds from the sale of the Series 2018 Bonds to redeem and refund the Series 2009A Bonds (and thereby refinance the 2009 Project); and

**WHEREAS**, the City previously entered into a Facilities Lease, dated as of March 1, 2009 (the “Original Facilities Lease”), by and between the City as lessor and the Corporation as lessee under which the Corporation leased certain facilities (the “Original Facilities”) and certain real property (the “Original Site”) from the City; and

**WHEREAS**, pursuant to a First Amendment to Facilities Lease dated as of June 1, 2018 (the “First Amendment to Facilities Lease”), which is recorded concurrently herewith, between the City, as lessor, and the Corporation, as lessee, the Corporation will lease certain [additional][substituted] facilities (the “2018 Facilities,” which, together with the Original Facilities, as modified by the First Amendment to Facilities Lease, are also referred to herein as the “Facilities”) and certain [additional][substituted] real property from the City (the “2018 Site,” which, together with the Original Site, as modified by the First Amendment to Facilities Lease, is also referred to herein as the “Site”); the Original Facilities Lease, as supplemented by the First Amendment to Facilities Lease, is referred to herein as the “Facilities Lease”; and

**WHEREAS**, pursuant to the Lease, the Corporation will lease the Facilities and use amounts received from the City as Base Rental (as hereinafter defined) under the Lease to pay debt service on the Series 2018 Bonds and any additional Parity Bonds (collectively, the “Bonds”); and

**WHEREAS**, pursuant to and in accordance with certain provisions of the Trust Agreement and the Lease, the Corporation may issue additional Parity Bonds payable from Base Rental on a parity with the Series 2018 Bonds, for the purpose of financing the construction, reconstruction, rehabilitation and/or improvement of the additional components of the Project; and

**WHEREAS**, all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with the execution and entering into of this First Amendment to Lease do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the parties hereto are now duly authorized to execute and enter into this First Amendment to Lease;

**NOW, THEREFORE**, in consideration of the mutual covenants and agreements hereinafter contained, the parties hereto agree as follows:

## **ARTICLE I**

### **DEFINITIONS**

**Section 1.01A. Additional Definitions.** (a) All capitalized terms used in this First Amendment to Lease and not otherwise defined shall have the meanings given to such terms in the Lease and the Trust Agreement. From and after the effective date of this instrument, the following new definitions shall be added to Section 1.01 of the Lease, in alphabetical order, to read as follows:

“2018 Assignment Agreement” means that certain Assignment Agreement dated as of June 1, 2018, which is recorded concurrently herewith, by and between the Corporation and the Trustee, and amends the Assignment Agreement (as previously amended and supplemented), as such 2018 Assignment Agreement may be amended from time to time.

“2018 Facilities” means the facilities described in Exhibit A attached hereto and made a part hereof.

“2018 Site” means the real property described in Exhibit B attached hereto and made a part hereof.

(b) the following definitions are amended and restated as follows:

“Base Rental Payment Date” means any date on which Base Rental is scheduled to be paid hereunder, being [December 1] and [June 1] of each year, commencing on [December 1, 2018] (subject to the provisions of Section 3.01 hereof).

## ARTICLE II

### RELEASE OF CERTAIN PROPERTY; LEASE OF FACILITIES; TERM

**Section 2.01A.** Release of Property. The property described in Exhibit D hereto is hereby released from the Lease and shall no longer constitute part of the Facilities and the Site. The Corporation does hereby remise, release and terminate all of its leasehold interest in and to the real property described in Exhibit D and the improvements thereon. The City does hereby remise, release and terminate all of its sub-leasehold interest (but not its fee interest) in and to the real property described in Exhibit D and the improvements thereon.

**Section 2.02A.** Lease of Facilities. The Corporation hereby leases to the City, and the City hereby leases from the Corporation, the Facilities and the Site on the terms and conditions set forth herein and in the Master Lease. The Facilities described in this First Amendment to Lease shall be the “Facilities” under the Master Lease and the Site described in this First Amendment to Lease shall be the “Site” under the Master Lease. The City hereby agrees and covenants that during the term hereof, except as provided herein, it will use the Facilities for public purposes, and the City hereby further agrees and covenants that, during the term hereof, it will not abandon or vacate the Facilities or any portion thereof (unless such Facilities are condemned as provided for in Section 8.01 of the Master Lease).

**Section 2.03A.** Term; Occupancy. The term of this First Amendment to Lease shall commence on the date of issuance and delivery of the Series 2018 Bonds and shall end on [July 15, 20[28][33]].

If on the final maturity date of any of the Series 2018 Bonds, the Series 2018 Bonds shall not have been fully paid, or provision therefor made, then the term of this First Amendment to Lease shall be extended until ten (10) days after all Series 2018 Bonds shall have been fully paid, or provision therefor made, or otherwise discharged, provided that in no event shall the term of this First Amendment to Lease extend beyond [July 15, 20[29][34]].

**Section 2.04A.** Effect of this First Amendment to Lease. On and after the effective date of this instrument, (i) each reference in the Master Lease to the Facilities shall mean the “Facilities” as defined and described in this First Amendment to Lease; (ii) each reference to Site shall mean the “Site” as defined and described in this Second Amendment to Lease. Except

as expressly provided in this First Amendment to Lease, the Master Lease shall continue in full force and effect in accordance with the terms and provisions thereof, as amended hereby.

### ARTICLE III

#### RENTAL PAYMENTS

**Section 3.01A.** **Base Rental.** The City shall pay to the Corporation as Base Rental for the use and occupancy of the Facilities (subject to the provisions of Sections 2.02, 3.01 and 7.01 of the Master Lease) the amounts at the times specified in and in accordance with the Base Rental Payment Schedule set forth in Exhibit C hereto which is incorporated herein by this reference. The City's obligation to pay Base Rental payments shall be limited solely to Net Open Space Fund Property Tax Revenues. Base Rental shall be payable commencing on [December 1, 2018] and on each [December 1] and [June 1] thereafter during the term of this First Amendment to Lease. Base Rental shall be for the use and occupancy of the Facilities for the Fiscal Year in which such [December 1] and [June 1] occurs. If the term of this First Amendment to Lease shall be extended pursuant to Section 2.02A hereof, the payments of Base Rental shall continue to and including such time this First Amendment to Lease shall terminate in accordance with Section 2.02A hereof

**Section 3.02A.** **Fair Rental Value.** The City hereby confirms that the payments of Base Rental and Additional Rental during the term of the Master Lease, as amended by this First Amendment to Lease, shall constitute the total rental for the City's use and occupancy of the Facilities for the Fiscal Year in which such payments are scheduled to be made, and the parties hereto have agreed and determined that such total rental represents the fair rental value of the Facilities. In making such determination, consideration has been given to the costs of refinancing the 2009 Project by the Corporation, the uses and purposes served by the 2009 Project, and the benefits which will accrue to the Corporation, the City and the general public therefrom and from the refinancing thereof.

### ARTICLE IV

#### COVENANTS

**Section 4.01A.** **Quiet Enjoyment.** The parties hereto mutually covenant that the City, by keeping and performing the covenants and agreements herein contained, shall at all times during the term of this First Amendment to Lease peaceably and quietly have, hold and enjoy the Facilities without suit, trouble or hindrance from the Corporation.

**Section 4.02A.** **Corporation Not Liable.** The Corporation and its members, officers, agents and employees, shall not be liable to the City or to any other party whomsoever for any death, injury or damage that may result to any person or property by or from any cause whatsoever in, on or about the Facilities. The City shall indemnify and hold the Corporation and its members, officers, agents and employees, and the Trustee and its officers, agents and employees harmless from, and defend each of them against, any and all claims, liens and judgments arising from the construction or operation of the Facilities, including, without limitation, death of or injury to any person or damage to property whatsoever occurring in, on or about the Facilities, but

excepting claims, liens and judgments arising from the active negligence of the person or entity seeking indemnity. The provisions of this section shall survive the termination of this First Amendment to Lease.

**Section 4.03A. Assignment.** Neither this First Amendment to Lease nor any interest of the City hereunder shall be mortgaged, pledged, assigned, sublet or transferred by the City by voluntary act or by operation by law or otherwise, except with the prior written consent of the Corporation, which shall not be unreasonably withheld.

**Section 4.04A. Tax Covenants.** The City covenants that it shall not take any action, or fail to take any action, if such action or failure to take such action would result in the interest on the Series 2018 Bonds not being excluded from gross income for federal income tax purposes under Section 103 of the Code. Without limiting the generality of the foregoing, the City covenants that it shall comply with the requirements of the Tax Compliance Certificate, dated as of the date of delivery of the Series 2018 Bonds and executed and delivered by the City and Corporation, which is incorporated herein as if fully set forth herein. This covenant shall survive the payment in full or the defeasance of the Series 2018 Bonds.

(a) In the event that at any time the City is of the opinion that for purposes of this Section 4.04A it is necessary or helpful to restrict or limit the yield on the investment of any moneys held by the Trustee under the Trust Agreement, the City shall so instruct the Corporation and the Trustee in a Request of the City accompanied by an Opinion of Bond Counsel.

(b) Notwithstanding any provisions of this Section 4.04A, if the City provides an Opinion of Bond Counsel to the effect that any specified action required under this Section 4.04A is no longer required or that some further or different action is required to maintain the exclusion from federal income tax of interest on the Series 2018 Bonds, the Trustee may conclusively rely on such opinion in complying with the requirements of this Section 4.04A and the Tax Compliance Certificate, and the covenants hereunder shall be deemed to be modified to that extent.

**Section 4.05A. Continuing Disclosure.** The City, on behalf of the Corporation, hereby covenants and agrees to comply with and carry out all of the provisions of the continuing disclosure certificate for the Series 2018 Bonds (the “Continuing Disclosure Certificate”). Notwithstanding any other provision of this Second Amendment to Lease, failure by the City to comply with the Continuing Disclosure Certificate shall not constitute a default hereunder or under the Trust Agreement or any Parity Bond Instrument; provided, however, that any Participating Underwriter (as defined in each Continuing Disclosure Certificate) or any Owner or beneficial owner of Series 2018 Bonds may take such action as may be necessary and appropriate to compel performance by the City of its obligations under this Section 4.05A, including seeking mandamus or specific performance by court order. All capitalized terms used but not defined in this Section 4.05A shall have the meanings given in the Continuing Disclosure Certificate.



## ARTICLE V

### DISCLAIMER OF WARRANTIES; USE OF THE PROJECT

**Section 5.01A.**        **Disclaimer of Warranties.** THE CORPORATION MAKES NO AGREEMENT, WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY OR FITNESS FOR PARTICULAR PURPOSE OR FITNESS FOR USE OF THE FACILITIES, OR WARRANTY WITH RESPECT THERETO. THE CITY ACKNOWLEDGES THAT THE CORPORATION IS NOT A MANUFACTURER OF ANY PORTION OF THE FACILITIES OR THE PROJECT OR A DEALER THEREIN AND THAT THE CITY LEASES THE FACILITIES AS-IS, IT BEING AGREED THAT ALL OF THE AFOREMENTIONED RISKS ARE TO BE BORNE BY THE CITY. In no event shall the Corporation be liable for any incidental, indirect, special or consequential damage in connection with or arising out of this First Amendment to Lease or the existence, furnishing, functioning or the City's use of the Facilities as provided hereby.

**Section 5.02A.**        **Use of the Facilities.** The City will not use, operate or maintain the Facilities improperly, carelessly, in violation of any applicable law or in a manner contrary to that contemplated hereby. The City shall obtain all permits and licenses, if any, necessary for the use of the Facilities. In addition, the City agrees to comply in all respects with all laws of the jurisdictions in which its operations involving any portion of the Facilities may extend and any legislative, executive, administrative or judicial body exercising any power or jurisdiction over the Facilities; provided, that the City may contest in good faith the validity or application of any such law or rule in any reasonable manner which does not, in the opinion of the Trustee, adversely affect the estate of the Corporation in and to the Facilities or its interest or rights hereunder.

## ARTICLE VI

### ASSIGNMENT AND INDEMNIFICATION

**Section 6.01A.**        **Assignment by Corporation.** The parties understand that this First Amendment to Lease and the rights of the Corporation hereunder will be assigned to the Trustee pursuant to the Assignment Agreement, and, accordingly, the City agrees to make all rental payments due hereunder directly to the Trustee, notwithstanding any claim, defense, setoff or counterclaim whatsoever (whether arising from a breach hereof or otherwise) that the City may from time to time have against the Corporation. The City agrees to execute all documents, including notices of assignment and chattel mortgages or financing statements, which may be reasonably requested by the Corporation or the Trustee to protect their interests in the Facilities during the term hereof.

**Section 6.02A.**        **Indemnification.** The City shall, to the full extent then permitted by law, indemnify, protect, hold harmless, save and keep harmless the Corporation and its members, officers and employees (other than the negligence or willful misconduct of the Corporation, or its members, officers and employees), and reasonable expenses in connection therewith, including, without limitation, reasonable counsel fees and expenses, penalties and interest arising out of or as the result of the entering into of this First Amendment to Lease, the payment of the costs of the Improvements or any accident in connection with the operation, use,

condition or possession of the Facilities or any portion thereof resulting in damage to property or injury to or death to any person, including, without limitation, any claim alleging latent and other defects, whether or not discoverable by the Corporation or the City; any claim for patent, trademark or copyright infringement; any claim arising out of strict liability in tort; the presence on, under or about, or release from the Facilities, or any portion thereof, of any substance, material or waste which is or becomes regulated or classified as hazardous or toxic under State, local or federal law and the violation of, or non-compliance with, any such laws by the City. The indemnification arising under this Section 6.02A shall continue in full force and effect notwithstanding the full payment of all obligations hereunder or the termination hereof for any reason. The City agrees not to withhold or abate any portion of the payments required pursuant hereto by reason of any defects, malfunctions, breakdowns or infirmities of the Facilities. The Corporation and the City mutually agree to promptly give notice to each other of any claim or liability hereby indemnified against following either's learning thereof.

## ARTICLE VII

### MISCELLANEOUS

**Section 7.01A.**        **Law Governing.** This Lease shall be governed exclusively by the laws of the State of California as the same from time to time exist.

**Section 7.02A.**        **Validity and Severability.** If for any reason this First Amendment to Lease shall be held by a court of competent jurisdiction to be void, voidable, or unenforceable by the Corporation or by the City, or if for any reason it is held by such a court that any of the covenants and conditions of the City hereunder, including the covenant to pay rentals hereunder, is unenforceable for the full term hereof, then and in such event this First Amendment to Lease is and shall be deemed to be a Lease under which the rental payments due in any Fiscal Year of the City are subject to annual appropriation and are to be paid by the City annually in consideration of the right of the City to possess, occupy and use the Facilities, and all of the rental and other terms, provisions and conditions of this First Amendment to Lease, except to the extent that such terms, provisions and conditions are contrary to or inconsistent with such holding, shall remain in full force and effect.

**Section 7.03A.**        **Net Lease.** This Lease shall be deemed and construed to be a "net lease" and the City hereby agrees that the rentals provided for herein shall be an absolute net return to the Corporation, free and clear of any expenses, charges or set-offs whatsoever.

**Section 7.04A.**        **Taxes.** The parties understand and agree that the Facilities constitute public property free and exempt from all taxation; however, the Corporation agrees to take whatever steps may be necessary, upon written request by the City, to contest any proposed valuation, the amount of any proposed tax or assessment, or to take steps necessary to recover any tax or assessment paid. The City agrees to reimburse the Corporation for any and all costs and expenses thus incurred by the Corporation.

**Section 7.05A.**        **Article and Section Headings.** All article and section headings contained herein are for convenience of reference only and are not intended to define or limit the scope of any provision of this First Amendment to Lease.

**Section 7.06A. Execution.** This Lease may be executed in any number of counterparts, each of which shall be deemed to be an original, but all together shall constitute but one and the same Lease. It is also agreed that separate counterparts of this First Amendment to Lease may separately be executed by the Corporation and the City, all with the same force and effect as though the same counterpart had been executed by both the Corporation and the City.

**Section 7.07A. Trustee a Third Party Beneficiary.** The Trustee is hereby designated as a third party beneficiary hereunder for the purpose of enforcing any of the rights hereunder assigned to the Trustee under the Assignment Agreement.

**Section 7.08A. Amendments.** This First Amendment to Lease may be amended in the manner provided in Section 15.09 of the Master Lease.

**Section 7.09A. City Requirements.** The Master Lease is hereby amended by deleting Sections 15.10 through 15.33 thereof and Section 15.36 thereof, replacing said sections in their entirety by the insertion of the sections set forth below in this Section 7.09A (i.e., Sections 10 through 30), by renumbering “Section 15.34” of such Master Lease as “Section 15.31,” by renumbering “Section 15.35” of such Original Facilities Lease as “Section 15.32,” and by renumbering “Section 15.38” of such Original Facilities Lease as “Section 15.33”:

**10. Nondiscrimination; Penalties.**

**(a) Non-Discrimination in Contracts.**

The Corporation shall comply with the provisions of Chapters 12B and 12C of the San Francisco Administrative Code. The Corporation shall incorporate by reference in any subcontracts the provisions of Sections 12B.2(a), 12B.2(c)-(k), and 12C.3 of the San Francisco Administrative Code and shall require any subcontractors to comply with such provisions. The Corporation is subject to the enforcement and penalty provisions in Chapters 12B and 12C.

**(b) Nondiscrimination in the Provision of Employee Benefits. San Francisco Administrative Code 12B.2.**

The Corporation does not as of the date of this Lease, and will not during the term of this Lease, in any of its operations in San Francisco, on real property owned by San Francisco, or where work is being performed for the City elsewhere in the United States, discriminate in the provision of employee benefits between employees with domestic partners and employees with spouses and/or between the domestic partners and spouses of such employees, subject to the conditions set forth in San Francisco Administrative Code Section 12B.2.

**(c) Condition to Contract.**

As a condition to the Lease, the Corporation shall execute the “Chapter 12B Declaration: Nondiscrimination in Contracts and Benefits” form (form HRC-12B-101) with supporting documentation and secure the approval of the form by the San Francisco Human Rights Commission.

**11. MacBride Principles—Northern Ireland.**

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

**12. Tropical Hardwood and Virgin Redwood Ban.**

Under San Francisco Environment Code Section 804(b), the City urges the Corporation not to import, purchase, obtain, or use for any purpose, any tropical hardwood, tropical hardwood wood product, virgin redwood or virgin redwood wood product.

**13. Alcohol and Drug-Free Workplace.**

The City reserves the right to deny access to, or require the Corporation to remove from, City facilities personnel of such Corporation who the City has reasonable grounds to believe has engaged in alcohol abuse or illegal drug activity which in any way impairs the City's ability to maintain safe work facilities or to protect the health and well-being of City employees and the general public. The City shall have the right of final approval for the entry or re-entry of any such person previously denied access to, or removed from, City facilities. Illegal drug activity means possessing, furnishing, selling, offering, purchasing, using or being under the influence of illegal drugs or other controlled substances for which the individual lacks a valid prescription. Alcohol abuse means possessing, furnishing, selling, offering, or using alcoholic beverages, or being under the influence of alcohol.

**14. Compliance with Americans with Disabilities Act.**

The Corporation shall provide the services specified in the Lease in a manner that complies with the Americans with Disabilities Act (ADA), including but not limited to Title II's program access requirements, and all other applicable federal, state and local disability rights legislation.

**15. Sunshine Ordinance.**

The Corporation acknowledges that this Lease and all records related to its formation, such Corporation's performance of services provided under the Lease, and the City's payment are subject to the California Public Records Act, (California Government Code §6250 et. seq.), and the San Francisco Sunshine Ordinance, (San Francisco Administrative Code Chapter 67). Such records are subject to public inspection and copying unless exempt from disclosure under federal, state or local law.

**16. Limitations on Contributions.**

By executing this Lease, the Corporation acknowledges that it is familiar with section 1.126 of the City's Campaign and Governmental Conduct Code, which prohibits any person who contracts with the City for the rendition of personal services, for the furnishing of any material,

supplies or equipment, for the sale or lease of any land or building, or for a grant, loan or loan guarantee, from making any campaign contribution to (1) an individual holding a City elective office if the contract must be approved by the individual, a board on which that individual serves, or the board of a state agency on which an appointee of that individual serves, (2) a candidate for the office held by such individual, or (3) a committee controlled by such individual, at any time from the commencement of negotiations for the contract until the later of either the termination of negotiations for such contract or six months after the date the contract is approved. The prohibition on contributions applies to each prospective party to the contract; each member of the Corporation's board of directors; the Corporation's chairperson, chief executive officer, chief financial officer and chief operating officer; any person with an ownership interest of more than 20 percent in such Corporation; any subcontractor listed in the bid or contract; and any committee that is sponsored or controlled by such Corporation. The Corporation must inform each such person of the limitation on contributions imposed by Section 1.126 and provide the names of the persons required to be informed to City.

**17. Requiring Minimum Compensation for Covered Employees.**

The Corporation shall pay covered employees no less than the minimum compensation required by San Francisco Administrative Code Chapter 12P. The Corporation is subject to the enforcement and penalty provisions in Chapter 12P. By entering into this Lease, the Corporation certifies that it is in compliance with Chapter 12P.

**18. Requiring Health Benefits for Covered Employees.**

The Corporation shall comply with San Francisco Administrative Code Chapter 12Q. The Corporation shall choose and perform one of the Health Care Accountability options set forth in San Francisco Administrative Code Chapter 12Q.3. The Corporation is subject to the enforcement and penalty provisions in Chapter 12Q.

**19. Prohibition on Political Activity with City Funds.**

In performing the services provided under the Lease, the Corporation shall comply with San Francisco Administrative Code Chapter 12G, which prohibits funds appropriated by the City for this Lease from being expended to participate in, support, or attempt to influence any political campaign for a candidate or for a ballot measure. The Corporation is subject to the enforcement and penalty provisions in Chapter 12G.

**20. Nondisclosure of Private, Proprietary or Confidential Information.**

If this Lease requires the City to disclose "Private Information" to the Corporation within the meaning of San Francisco Administrative Code Chapter 12M, the Corporation shall use such information consistent with the restrictions stated in Chapter 12M and in this Lease and only as necessary in performing the services provided under the Lease. The Corporation is subject to the enforcement and penalty provisions in Chapter 12M.

In the performance of services provided under the Lease, the Corporation may have access to the City's proprietary or confidential information, the disclosure of which to third parties may damage the City. If the City discloses proprietary or confidential information to the Corporation,

such information must be held by such Corporation in confidence and used only in performing the Lease. The Corporation shall exercise the same standard of care to protect such information as a reasonably prudent contractor would use to protect its own proprietary or confidential information.

**21. Consideration of Criminal History in Hiring and Employment Decisions.**

The Corporation agrees to comply fully with and be bound by all of the provisions of Chapter 12T, “City Contractor/Subcontractor Consideration of Criminal History in Hiring and Employment Decisions,” of the San Francisco Administrative Code (“Chapter 12T”), including the remedies provided, and implementing regulations, as may be amended from time to time. The provisions of Chapter 12T are incorporated by reference and made a part of this Lease. The text of Chapter 12T is available on the web at <http://sfgov.org/olse/fco>. A partial listing of some of the Corporations’ obligations under Chapter 12T is set forth in this Section. The Corporation is required to comply with all of the applicable provisions of Chapter 12T, irrespective of the listing of obligations in this Section. Capitalized terms used in this Section and not defined in this Lease shall have the meanings assigned to such terms in Chapter 12T.

The requirements of Chapter 12T shall only apply to the Corporation’s operations to the extent those operations are in furtherance of the performance of this Lease, shall apply only to applicants and employees who would be or are performing work in furtherance of this Lease, and shall apply when the physical location of the employment or prospective employment of an individual is wholly or substantially within the City of San Francisco which excludes City property. Chapter 12T shall not apply when the application in a particular context would conflict with federal or state law or with a requirement of a government agency implementing federal or state law.

**22. Reserved.**

**23. Submitting False Claims; Monetary Penalties.**

The full text of San Francisco Administrative Code §§ 21.35, including the enforcement and penalty provisions, is incorporated into this Lease. Under San Francisco Administrative Code §21.35, any contractor, subcontractor or consultant who submits a false claim shall be liable to the City for the statutory penalties set forth in that section. A contractor, subcontractor or consultant will be deemed to have submitted a false claim to the City if the contractor, subcontractor or consultant: (a) knowingly presents or causes to be presented to an officer or employee of the City a false claim or request for payment or approval; (b) knowingly makes, uses, or causes to be made or used a false record or statement to get a false claim paid or approved by the City; (c) conspires to defraud the City by getting a false claim allowed or paid by the City; (d) knowingly makes, uses, or causes to be made or used a false record or statement to conceal, avoid, or decrease an obligation to pay or transmit money or property to the City; or (e) is a beneficiary of an inadvertent submission of a false claim to the City, subsequently discovers the falsity of the claim, and fails to disclose the false claim to the City within a reasonable time after discovery of the false claim.

**24. Conflict of Interest.**

By entering into the Lease, the Corporation certifies that it does not know of any fact which constitutes a violation of Section 15.103 of the City’s Charter; Article III, Chapter 2 of City’s

Campaign and Governmental Conduct Code; Title 9, Chapter 7 of the California Government Code (Section 87100 et seq.), or Title 1, Division 4, Chapter 1, Article 4 of the California Government Code (Section 1090 et seq.), and further agrees promptly to notify the City if it becomes aware of any such fact during the term of this Lease.

**25. Assignment.**

The services provided under the Lease to be performed by the Corporation are personal in character and neither this Lease nor any duties or obligations may be assigned or delegated by the Corporation unless first approved by the City by written instrument executed and approved in the same manner as this Lease. Any purported assignment made in violation of this provision shall be null and void.

**26. Food Service Waste Reduction Requirements.**

The Corporation shall comply with the Food Service Waste Reduction Ordinance, as set forth in San Francisco Environment Code Chapter 16, including but not limited to the provided remedies for noncompliance.

**27. Cooperative Drafting.**

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

**28. Laws Incorporated by Reference.**

The full text of the laws listed in this Appendix, including enforcement and penalty provisions, are incorporated into this Lease by reference. The full text of the San Francisco Municipal Code provisions incorporated by reference in this Appendix are available at [www.sfgov.org](http://www.sfgov.org) under "Open Gov."

**29. Sugar-Sweetened Beverage Prohibition.**

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

**30. First Source Hiring Program.**

The Corporation must comply with all of the provisions of the First Source Hiring Program, Chapter 83 of the San Francisco Administrative Code, that apply to this Lease, and the Corporation is subject to the enforcement and penalty provisions in Chapter 83.

**IN WITNESS WHEREOF**, the Corporation and the City have caused this First Amendment to Lease to be executed by their respective officers thereunto duly authorized, all as of the day and year first above written.

CITY AND COUNTY OF SAN FRANCISCO  
FINANCE CORPORATION

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

[SEAL]

Attest:

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

CITY AND COUNTY OF SAN FRANCISCO

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

[SEAL]

Attest:

By: \_\_\_\_\_  
Clerk of the Board of Supervisors

APPROVED AS TO FORM:

Dennis J. Herrera  
City Attorney

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



**CERTIFICATE OF ACCEPTANCE BY CITY AND COUNTY OF SAN FRANCISCO**

This is to certify that the interest in real property conveyed by the First Amendment to Master Lease, dated June 1, 2018, from the City and County of San Francisco Finance Corporation to the City and County of San Francisco, a charter city and county and municipal corporation, is hereby accepted by the undersigned on behalf of the Board of Supervisors pursuant to authority conferred by ordinance of the Board of Supervisors adopted on [\_\_\_\_], 2018, and the grantee consents to recordation thereof.

Dated: June 1, 2018

CITY AND COUNTY OF SAN FRANCISCO

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

[SEAL]

Attest:

By: \_\_\_\_\_  
Clerk, Board of Supervisors

APPROVED AS TO FORM:

Dennis J. Herrera  
City Attorney

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

(Signature page to Certificate of Acceptance)





## EXHIBIT A

### **DESCRIPTION OF THE FACILITIES**

The Facilities consist of portions of the Main Library building (consisting of approximately [\_\_\_\_\_] square feet) on the lower (i.e., below ground) level and the ground floor of the Main Library located at Civic Center Plaza, 100 Larkin Street, City and County of San Francisco, California.

## **EXHIBIT B**

### **DESCRIPTION OF THE SITE**

The land referred to herein is situated in the State of California, County of San Francisco, City of San Francisco, and described as follows: [CONFIRM NO CHANGES SINCE 2009, PER NEW TITLE REPORT]

BEGINNING AT A POINT FORMED BY THE INTERSECTION OF THE EASTERLY LINE OF LARKIN STREET AND THE NORTHERLY LINE OF GROVE STREET (EXTENDED EASTERLY) AND RUNNING THENCE NORTHERLY ALONG THE EASTERLY LINE OF LARKIN STREET 275 FEET;

THENCE AT A RIGHT ANGLE EASTERLY 412 FEET 6 INCHES TO THE WESTERLY LINE OF HYDE STREET (EXTENDED SOUTHERLY);

THENCE AT A RIGHT ANGLE SOUTHERLY ALONG SAID LINE OF HYDE STREET (SO EXTENDED) 275 FEET TO THE NORTHERLY LINE OF GROVE STREET (SO EXTENDED); AND

THENCE AT A RIGHT ANGLE WESTERLY ALONG SAID LINE OF GROVE STREET (SO EXTENDED) 412 FEET 6 INCHES TO THE SAID EASTERLY LINE OF LARKIN STREET AND THE POINT OF BEGINNING.

BEING A PORTION OF THE BLOCK OF LAND KNOWN AND DESIGNATED ON THE OFFICIAL MAP OF THE CITY AND COUNTY OF SAN FRANCISCO AS "THE CITY HALL LOT".

APN: LOT 1, BLOCK 354

**EXHIBIT C**

**BASE RENTAL PAYMENT SCHEDULE**

| <b>Rental<br/>Payment<br/>Date</b> | <b>Amount<br/>Attributable<br/>to Principal</b> | <b>Amount<br/>Attributable<br/>to Interest</b> | <b>Annual<br/>Base<br/>Rental</b> |
|------------------------------------|---|--|-----------------------------------|
|------------------------------------|---|--|-----------------------------------|

## **EXHIBIT D**

### **DESCRIPTION OF RELEASED PROPERTY**

The facilities consisting of portions of the Main Library building (consisting of approximately 264,530 square feet) on floors 2 through 6 of the Main Library located at Civic Center Plaza, 100 Larkin Street, City and County of San Francisco, California.