

CITY AND COUNTY OF SAN FRANCISCO
DEPARTMENT OF HOMELESSNESS AND SUPPORTIVE HOUSING

GRANT AGREEMENT
between
CITY AND COUNTY OF SAN FRANCISCO
and
ABODE PROPERTY MANAGEMENT

THIS GRANT AGREEMENT (“Agreement”) is made as of **November 1, 2024** by and between **ABODE PROPERTY MANAGEMENT** (“Grantee”) and the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation (“City”) acting by and through The Department of Homelessness and Supportive Housing (“Department”).

RECITALS

WHEREAS, Grantee and the City have entered into a Ground Lease (“Lease”) as of November 1, 2024 for real property (“Property”) for the purpose of operating the Property as Permanent Supportive Housing for Transitional Age Youth (attached as Exhibit 1).

WHEREAS, this Grant Agreement will fund certain operating expenses associated with the Property.

WHEREAS, Grantee has applied to the Department to fund the matters set forth in a grant plan and summarized briefly as follows: property ownership, management, and leasing; and

WHEREAS, City issued a Request for Qualifications (RFQ) #142 on November 6, 2023 for Transitional Age Youth Site in South of Market Area; and

WHEREAS, No responsible and responsive bids were received for RFQ #142; and

WHEREAS, Due to a lack of responsible and responsive bids for RFQ #142, City has selected Grantee pursuant to San Francisco Administrative Code Section 21.6 which authorizes the Contracting officer to purchase the Commodities or Services called for from any source where the lack of responsible Offers is not due to the content of the Solicitation; and

WHEREAS, the City’s Homelessness Oversight Commission approved this Agreement by Resolution No. **[Insert Resolution Number]** on September 5, 2024; and

WHEREAS, the Board of Supervisors approved this Agreement under San Francisco Charter Section 9.118 by Resolution No. **<insert Resolution number> on <Month Date, Year>**; and

WHEREAS, City desires to provide such a grant on the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of the promises and the mutual covenants contained in this Agreement and for other good and valuable consideration, the receipt and adequacy of which

is acknowledged, the parties agree as follows:

ARTICLE 1 DEFINITIONS

- 1.1 Specific Terms.** Unless the context otherwise requires, the following capitalized terms (whether singular or plural) shall have the meanings set forth below:
- (a) “ADA” shall mean the Americans with Disabilities Act (including all rules and regulations thereunder) and all other applicable federal, state and local disability rights legislation, as the same may be amended, modified or supplemented from time to time.
 - (b) “Application Documents” shall mean collectively: (i) the grant application submitted by Grantee, including all exhibits, schedules, appendices and attachments thereto; (ii) all documents, correspondence and other written materials submitted with respect to the grant application; and (iii) all amendments, modifications or supplements to any of the foregoing approved in writing by City.
 - (c) “Budget” shall mean the budget attached hereto as part of Appendix B, Budget.
 - (d) “Charter” shall mean the Charter of City.
 - (e) “Contractor” shall have the meaning as “Grantee” if used in this Agreement, as certain City contracting requirements also apply to grants of the City of San Francisco.
 - (f) “Controller” shall mean the Controller of City.
 - (g) “Eligible Expenses” shall have the meaning set forth in Appendix A-1, Services to be Provided, Appendix A-2 Services to be Provided, and Appendix B, Budget.
 - (h) “Event of Default” shall have the meaning set forth in Section 11.1.
 - (i) “Fiscal Quarter” shall mean each period of three (3) calendar months commencing on July 1, October 1, January 1, and April 1, respectively.
 - (j) “Fiscal Year” shall mean each period of twelve (12) calendar months commencing on July 1 and ending on June 30 during which all or any portion of this Agreement is in effect.
 - (k) “Funding Request” shall have the meaning set forth in Section 5.3(a).
 - (l) “Grant” means this document, including all attached appendices, and all applicable City Ordinances and Mandatory City Requirements specifically incorporated into

this Agreement by reference as provided herein.

- (m) “Grant Funds” shall mean any and all funds allocated or disbursed to Grantee under this Agreement.
- (n) “Grant Plan” shall have the meaning set forth in Appendix A-1, Services to be Provided, Appendix A-2, Services to be Provided, and Appendix B, Budget.
- (o) “Indemnified Parties” shall mean: (i) City, including the Department and all commissions, departments, agencies and other subdivisions of City; (ii) City's elected officials, directors, officers, employees, agents, successors and assigns; and (iii) all persons or entities acting on behalf of any of the foregoing.
- (p) “Losses” shall mean any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, judgments, fees, expenses and costs of whatsoever kind and nature (including legal fees and expenses and costs of investigation, of prosecuting or defending any Loss described above) whether or not such Loss be founded or unfounded, of whatsoever kind and nature.
- (q) “Publication” shall mean any report, article, educational material, handbook, brochure, pamphlet, press release, public service announcement, web page, audio or visual material or other communication for public dissemination, which relates to all or any portion of the Grant Plan or is paid for in whole or in part using Grant Funds.
- (r) “San Francisco Labor and Employment Code”: As of January 4, 2024, San Francisco Administrative Code Chapters 21C (Miscellaneous Prevailing Wage Requirements), 12B (Nondiscrimination in Contracts), 12C (Nondiscrimination in Property Contracts), 12K (Salary History), 12P (Minimum Compensation), 12Q (Health Care Accountability), 12T (City Contractor/Subcontractor Consideration of Criminal History in Hiring and Employment Decisions), and 12U (Sweatfree Contracting) are redesignated as Articles 102 (Miscellaneous Prevailing Wage Requirements), 131 (Nondiscrimination in Contracts), 132 (Nondiscrimination in Property Contracts), 141 (Salary History), 111 (Minimum Compensation), 121 (Health Care Accountability), 142 (City Contractor/Subcontractor Consideration of Criminal History in Hiring and Employment Decisions), and 151 (Sweatfree Contracting) of the San Francisco Labor and Employment Code, respectively. Wherever this Agreement refers to San Francisco Administrative Code Chapters 21C, 12B, 12C, 12K, 12P, 12Q, 12T, and 12U, it shall be construed to mean San Francisco Labor and Employment Code Articles 102, 131, 132, 141, 111, 121, 142, and 151, respectively.
- (s) “Subgrantee” shall mean any person or entity expressly permitted under Article 13 that provides services to Grantee in fulfillment of Grantee’s obligations arising from this Agreement.

1.2 Additional Terms. The terms “as directed,” “as required” or “as permitted” and similar terms shall refer to the direction, requirement, or permission of the Department. The

terms “sufficient,” “necessary” or “proper” and similar terms shall mean sufficient, necessary or proper in the sole judgment of the Department. The terms “approval,” “acceptable” or “satisfactory” or similar terms shall mean approved by, or acceptable to, or satisfactory to the Department. The terms “include,” “included” or “including” and similar terms shall be deemed to be followed by the words “without limitation”. The use of the term “subcontractor,” “successor” or “assign” herein refers only to a subcontractor (“Subgrantee”), successor or assign expressly permitted under Article 13.

- 1.3 References to this Agreement.** References to this Agreement include: (a) any and all appendices, exhibits, schedules, attachments hereto; (b) any and all statutes, ordinances, regulations or other documents expressly incorporated by reference herein; and (c) any and all amendments, modifications or supplements hereto made in accordance with Section 17.2. References to articles, sections, subsections or appendices refer to articles, sections or subsections of or appendices to this Agreement, unless otherwise expressly stated. Terms such as “hereunder,” “herein” or “hereto” refer to this Agreement as a whole.

ARTICLE 2 APPROPRIATION AND CERTIFICATION OF GRANT FUNDS; LIMITATIONS ON CITY'S OBLIGATIONS

- 2.1 Risk of Non-Appropriation of Grant Funds.** This Agreement is subject to the budget and fiscal provisions of the Charter. City shall have no obligation to make appropriations for this Agreement in lieu of appropriations for new or other agreements. Grantee acknowledges that City budget decisions are subject to the discretion of its Mayor and Board of Supervisors. Grantee assumes all risk of possible non-appropriation or non-certification of funds, and such assumption is part of the consideration for this Agreement.
- 2.2 Certification of Controller.** Charges will accrue only after prior written authorization certified by the Controller, and the amount of City’s obligation shall not at any time exceed the amount certified for the purpose and period stated in such advance authorization.
- 2.3 Automatic Termination for Non-Appropriation of Funds.** This Agreement shall automatically terminate, without penalty, liability or expense of any kind to City, at the end of any Fiscal Year if funds are not appropriated for the next succeeding Fiscal Year. If funds are appropriated for a portion of any Fiscal Year, this Agreement shall terminate, without penalty, liability or expense of any kind to City, at the end of such portion of the Fiscal Year.
- 2.4 SUPERSEDURE OF CONFLICTING PROVISIONS.** IN THE EVENT OF ANY CONFLICT BETWEEN ANY OF THE PROVISIONS OF THIS ARTICLE 2 AND ANY OTHER PROVISION OF THIS AGREEMENT, THE APPLICATION DOCUMENTS OR ANY OTHER DOCUMENT OR COMMUNICATION RELATING

TO THIS AGREEMENT, THE TERMS OF THIS ARTICLE 2 SHALL GOVERN.

- 2.5 Maximum Costs.** Except as may be provided by City ordinances governing emergency conditions, City and its employees and officers are not authorized to request Grantee to perform services or to provide materials, equipment and supplies that would result in Grantee performing services or providing materials, equipment and supplies that are beyond the scope of the services, materials, equipment and supplies specified in this Agreement unless this Agreement is amended in writing and approved as required by law to authorize the additional services, materials, equipment or supplies. City is not required to pay Grantee for services, materials, equipment or supplies provided by Grantee that are beyond the scope of the services, materials, equipment and supplies agreed upon herein and not approved by a written amendment to this Agreement lawfully executed by City. City and its employees and officers are not authorized to offer or promise to Grantee additional funding for this Agreement that exceeds the maximum amount of funding provided for herein. Additional funding for this Agreement in excess of the maximum provided herein shall require lawful approval and certification by the Controller. City is not required to honor any offered or promised additional funding which exceeds the maximum provided in this Agreement which requires lawful approval and certification of the Controller when the lawful approval and certification by the Controller has not been obtained. The Controller is not authorized to make payments on any agreement for which funds have not been certified as available in the budget or by supplemental appropriation.

ARTICLE 3 TERM

- 3.1 Effective Date.** This Agreement shall become effective when the Controller has certified to the availability of funds as set forth in Section 2.2 and the Department has notified Grantee thereof in writing.
- 3.2 Duration of Term.** The term of this Agreement shall commence on **November 1, 2024** and expire on **June 30, 2029**, unless earlier terminated as otherwise provided herein. Grantee shall not begin performance of its obligations under this Agreement until it receives written notice from City to proceed.

ARTICLE 4 IMPLEMENTATION OF GRANT PLAN

- 4.1 Implementation of Grant Plan; Cooperation with Monitoring.** Grantee shall diligently and in good faith implement the Grant Plan on the terms and conditions set forth in this Agreement and, to the extent that they do not differ from this Agreement, the Application Documents. Grantee shall not materially change the nature or scope of the Grant Plan during the term of this Agreement without the prior written consent of City. Grantee shall promptly comply with all standards, specifications and formats of City, as they may from time to time exist, related to evaluation, planning and monitoring of the

Grant Plan and shall cooperate in good faith with City in any evaluation, planning or monitoring activities conducted or authorized by City.

4.2 Qualified Personnel. The Grant Plan shall be implemented only by competent personnel under the direction and supervision of Grantee.

4.3 Ownership of Results. Any interest of Grantee or any Subgrantee, in drawings, plans, specifications, studies, reports, memoranda, computation sheets, the contents of computer diskettes, or other documents or Publications prepared by Grantee or any Subgrantee in connection with this Agreement or the implementation of the Grant Plan or the services to be performed under this Agreement, shall become the property of and be promptly transmitted to City. Notwithstanding the foregoing, Grantee may retain and use copies for reference and as documentation of its experience and capabilities.

4.4 Works for Hire. If, in connection with this Agreement or the implementation of the Grant Plan, Grantee or any Subgrantee creates artwork, copy, posters, billboards, photographs, videotapes, audiotapes, systems designs, software, reports, diagrams, surveys, source codes or any other original works of authorship or Publications, such creations shall be works for hire as defined under Title 17 of the United States Code, and all copyrights in such creations shall be the property of City. If it is ever determined that any such creations are not works for hire under applicable law, Grantee hereby assigns all copyrights thereto to City, and agrees to provide any material, execute such documents and take such other actions as may be necessary or desirable to effect such assignment. With the prior written approval of City, Grantee may retain and use copies of such creations for reference and as documentation of its experience and capabilities. Grantee shall obtain all releases, assignments or other agreements from Subgrantees or other persons or entities implementing the Grant Plan to ensure that City obtains the rights set forth in this Grant.

4.5 Publications and Work Product.

(a) Grantee understands and agrees that City has the right to review, approve, disapprove or conditionally approve, in its sole discretion, the work and property funded in whole or part with the Grant Funds, whether those elements are written, oral or in any other medium. Grantee has the burden of demonstrating to City that each element of work or property funded in whole or part with the Grant Funds is directly and integrally related to the Grant Plan as approved by City. City shall have the sole and final discretion to determine whether Grantee has met this burden.

(b) Without limiting the obligations of Grantee set forth in subsection (a) above, Grantee shall submit to City for City's prior written approval any Publication, and Grantee shall not disseminate any such Publication unless and until it receives City's consent. In addition, Grantee shall submit to City for approval, if City so requests, any other program material or form that Grantee uses or proposes to use in furtherance of the Grant Plan, and Grantee shall promptly provide to City one copy of all such materials or forms within two (2) days following City's request. The

City's approval of any material hereunder shall not be deemed an endorsement of, or agreement with, the contents of such material, and the City shall have no liability or responsibility for any such contents. The City reserves the right to disapprove any material covered by this section at any time, notwithstanding a prior approval by the City of such material. Grantee shall not charge for the use or distribution of any Publication funded all or in part with the Grant Funds, without first obtaining City's written consent, which City may give or withhold in its sole discretion.

- (c) Grantee shall distribute any Publication solely within San Francisco, unless City otherwise gives its prior written consent, which City may give or withhold in its sole discretion. In addition, Grantee shall furnish any services funded in whole or part with the Grant Funds under this Agreement solely within San Francisco, unless City otherwise gives its prior written consent, which City may give or withhold in its sole discretion.
- (d) City may disapprove any element of work or property funded in whole or part by the Grant Funds that City determines, in its sole discretion, has any of the following characteristics: is divisive or discriminatory; undermines the purpose of the Grant Plan; discourages otherwise qualified potential employees or volunteers or any clients from participating in activities covered under the Grant Plan; undermines the effective delivery of services to clients of Grantee; hinders the achievement of any other purpose of City in making the Grant under this Agreement; or violates any other provision of this Agreement or applicable law. If City disapproves any element of the Grant Plan as implemented, or requires any change to it, Grantee shall immediately eliminate the disapproved portions and make the required changes. If City disapproves any materials, activities or services provided by third parties, Grantee shall immediately cease using the materials and terminate the activities or services and shall, at City's request, require that Grantee obtain the return of materials from recipients or deliver such materials to City or destroy them.
- (e) City has the right to monitor from time to time the administration by Grantee or any of its subcontractors of any programs or other work, including, without limitation, educational programs or trainings, funded in whole or part by the Grant Funds, to ensure that Grantee is performing such element of the Grant Plan, or causing such element of the Grant Plan to be performed, consistent with the terms and conditions of this Agreement.
- (f) Grantee shall acknowledge City's funding under this Agreement in all Publications. Such acknowledgment shall conspicuously state that the activities are sponsored in whole or in part through a grant from the Department. Except as set forth in this subsection, Grantee shall not use the name of the Department or City (as a reference to the municipal corporation as opposed to location) in any Publication without prior written approval of City.

**ARTICLE 5
USE AND DISBURSEMENT OF GRANT FUNDS**

5.1 Maximum Amount of Grant Funds.

- (a) In no event shall the amount of Grant Funds disbursed hereunder exceed **Fourteen Million One Hundred Seventy Seven Thousand Two Hundred Sixty Four Dollars (\$14,177,264)**.
- (b) Grantee understands that, of the Maximum Amount Of Grant Funds listed under Article 5.1 (a) of this Agreement, **Two Million Three Hundred Thirty Two Thousand Eight Hundred Seventy Seven Dollars (\$2,332,877)** is included as a contingency amount and is neither to be used in the Budget attached to this Agreement or available to Grantee without a modification to the Budget, which has been approved by the Department of Homelessness and Supportive Housing. Grantee further understands that no payment for any portion of this contingency amount will be made unless and until a modification or revision has been fully approved and executed in accordance with applicable City and Department laws, regulations, policies/procedures and certification as to the availability of funds by Controller. Grantee agrees to fully comply with these laws, regulations, and policies/procedures.

5.2 Use of Grant Funds. Grantee shall use the Grant Funds only for Eligible Expenses and for no other purpose. Grantee shall expend the Grant Funds in accordance with the Budget and shall obtain the prior approval of City before transferring expenditures from one line item to another within the Budget.

5.3 Disbursement Procedures. Grant Funds shall be disbursed to Grantee as follows:

- (a) Grantee shall submit to the Department for approval, in the manner specified for notices pursuant to Article 15, a document (a "Funding Request") substantially in the form attached as Appendix C, Method of Payment. Any unapproved Funding Requests shall be returned by the Department to Grantee with a brief explanation why the Funding Request was rejected. If any such rejection relates only to a portion of Eligible Expenses itemized in a Funding Request, the Department shall have no obligation to disburse any Grant Funds for any other Eligible Expenses itemized in such Funding Request unless and until Grantee submits a Funding Request that is in all respects acceptable to the Department.
- (b) The Department shall make all disbursements of Grant Funds pursuant to this Section through electronic payment or by check payable to Grantee sent via U.S. mail in accordance with Article 15, unless the Department otherwise agrees in writing, in its sole discretion. For electronic payment, City vendors receiving new contracts, contract renewals, or contract extensions must sign up to receive electronic payments through the City's Automated Clearing House (ACH) payments service/provider. Electronic payments are processed every business day and are safe

and secure. To sign up for electronic payments, visit www.sfgov.org/ach. The Department shall make disbursements of Grant Funds as set forth in Appendix C, Method of Payment.

5.4 State or Federal Funds.

- (a) **Disallowance.** Where the funds are provided by the State or Federal government, with respect to Grant Funds, if any, Grantee agrees that if Grantee claims or receives payment from City for an Eligible Expense, payment or reimbursement of which is later disallowed by the State or Federal government, Grantee shall promptly refund the disallowed amount to City upon City's request. At its option, City may offset all or any portion of the disallowed amount against any other payment due to Grantee hereunder or under any other Agreement. Any such offset with respect to a portion of the disallowed amount shall not release Grantee from Grantee's obligation hereunder to refund the remainder of the disallowed amount.
- (b) **Grant Terms.** Where the funding for this Agreement is provided in full or in part by a federal or state grant to the City, as part of the terms of receiving the funds, the City is required to incorporate some of the terms into this Agreement and include certain reporting requirements.

ARTICLE 6 REPORTING REQUIREMENTS; AUDITS; PENALTIES FOR FALSE CLAIMS

- 6.1 Regular Reports.** Grantee shall provide, in a prompt and timely manner, financial, operational and other reports, as requested by the Department, in form and substance satisfactory to the Department. Such reports, including any copies, shall be submitted on recycled paper and printed on double-sided pages, to the maximum extent possible.
- 6.2 Organizational Documents.** If requested by City, Grantee shall provide to City the names of its current officers and directors and certified copies of its Articles of Incorporation and Bylaws as well as satisfactory evidence of the valid nonprofit status described in Section 8.1.
- 6.3 Notification of Defaults or Changes in Circumstances.** Grantee shall notify City immediately of (a) any Event of Default or event that, with the passage of time, would constitute an Event of Default; and (b) any change of circumstances that would cause any of the representations and warranties contained in Article 8 to be false or misleading at any time during the term of this Agreement.
- 6.4 Financial Statements.** Pursuant to San Francisco Administrative Code Section 67.32 and Controller requirements, if requested, within sixty (60) days following the end of each Fiscal Year, Grantee shall deliver to City an unaudited balance sheet and the related statement of income and cash flows for such Fiscal Year, all in reasonable detail acceptable to City, certified by an appropriate financial officer of Grantee as accurately

presenting the financial position of Grantee. If requested by City, Grantee shall also deliver to City, no later than one hundred twenty (120) days following the end of any Fiscal Year, an audited balance sheet and the related statement of income and cash flows for such Fiscal Year, certified by a reputable accounting firm as accurately presenting the financial position of Grantee.

- 6.5 Books and Records.** Grantee shall establish and maintain accurate files and records of all aspects of the Grant Plan and the matters funded in whole or in part with Grant Funds during the term of this Agreement. Without limiting the scope of the foregoing, Grantee shall establish and maintain accurate financial books and accounting records relating to Eligible Expenses incurred and Grant Funds received and expended under this Agreement, together with all invoices, documents, payrolls, time records and other data related to the matters covered by this Agreement, whether funded in whole or in part with Grant Funds. Grantee shall maintain all of the files, records, books, invoices, documents, payrolls and other data required to be maintained under this Section in a readily accessible location and condition for a period of not less than five (5) years after final payment under this Agreement or until any final audit has been fully completed, whichever is later.
- 6.6 Inspection and Audit.** Grantee shall make available to City, its employees and authorized representatives, during regular business hours all of the files, records, books, invoices, documents, payrolls and other data required to be established and maintained by Grantee under Section 6.5. Grantee shall permit City, its employees and authorized representatives to inspect, audit, examine and make excerpts and transcripts from any of the foregoing. The rights of City pursuant to this Section shall remain in effect so long as Grantee has the obligation to maintain such files, records, books, invoices, documents, payrolls and other data under this Article 6.
- 6.7 Submitting False Claims.** Grantee shall at all times deal in good faith with the City, shall only submit a Funding Request to the City upon a good faith and honest determination that the funds sought are for Eligible Expenses under the Grant, and shall only use Grant Funds for payment of Eligible Expenses. Any Grantee who commits any of the following false acts shall be liable to the City for three times the amount of damages the City sustains because of Grantee's act. A Grantee will be deemed to have submitted a false claim to the City if Grantee: (a) knowingly presents or causes to be presented to an officer or employee of the City a false Funding Request; (b) knowingly disburses Grants Funds for expenses that are not Eligible Expenses; (c) knowingly makes, uses, or causes to be made or used a false record or statement to get a false Funding Request paid or approved by the City; (d) conspires to defraud the City by getting a false Funding Request allowed or paid by 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.
- 6.8 Grantee's Board of Directors.** Grantee shall at all times be governed by a legally constituted and fiscally responsible board of directors. Such board of directors shall meet

regularly and maintain appropriate membership, as established in Grantee's bylaws and other governing documents and shall adhere to applicable provisions of federal, state and local laws governing nonprofit corporations. Grantee's board of directors shall exercise such oversight responsibility with regard to this Agreement as is necessary to ensure full and prompt performance by Grantee of its obligations under this Agreement.

ARTICLE 7 TAXES

- 7.1 Grantee to Pay All Taxes.** Grantee shall pay to the appropriate governmental authority, as and when due, any and all taxes, fees, assessments or other governmental charges, including possessory interest taxes and California sales and use taxes, levied upon or in connection with this Agreement, the Grant Plan, the Grant Funds or any of the activities contemplated by this Agreement.
- 7.2 Use of City Real Property.** If at any time this Agreement entitles Grantee to the possession, occupancy or use of City real property for private gain, the following provisions shall apply:
- (a) Grantee, on behalf of itself and any Subgrantees, successors and assigns, recognizes and understands that this Agreement may create a possessory interest subject to property taxation and Grantee, and any Subgrantee, successor or assign, may be subject to the payment of such taxes.
 - (b) Grantee, on behalf of itself and any Subgrantees, successors and assigns, further recognizes and understands that any assignment permitted hereunder and any exercise of any option to renew or other extension of this Agreement may constitute a change in ownership for purposes of property taxation and therefore may result in a revaluation of any possessory interest created hereunder. Grantee shall report any assignment or other transfer of any interest in this Agreement or any renewal or extension thereof to the County Assessor within sixty (60) days after such assignment, transfer, renewal or extension.
 - (c) Grantee shall provide such other information as may be requested by City to enable City to comply with any reporting requirements under applicable law with respect to possessory interests.
- 7.3 Withholding.** Grantee agrees that it is obligated to pay all amounts due to the City under the San Francisco Business and Tax Regulations Code during the term of this Agreement. Pursuant to Section 6.10-2 of the San Francisco Business and Tax Regulations Code, Grantee further acknowledges and agrees that City may withhold any payments due to Grantee under this Agreement if Grantee is delinquent in the payment of any amount required to be paid to the City under the San Francisco Business and Tax Regulations Code. Any payments withheld under this paragraph shall be made to Grantee, without interest, upon Grantee coming back into compliance with its obligations.

ARTICLE 8 REPRESENTATIONS AND WARRANTIES

Grantee represents and warrants each of the following as of the date of this Agreement and at all times throughout the term of this Agreement:

- 8.1 Organization; Authorization.** Grantee is a nonprofit corporation, duly organized and validly existing and in good standing under the laws of the jurisdiction in which it was formed. Grantee has established and maintains valid nonprofit status under Section 501(c)(3) of the United States Internal Revenue Code of 1986, as amended, and all rules and regulations promulgated under such Section. Grantee has duly authorized by all necessary action the execution, delivery and performance of this Agreement. Grantee has duly executed and delivered this Agreement and this Agreement constitutes a legal, valid and binding obligation of Grantee, enforceable against Grantee in accordance with the terms hereof.
- 8.2 Location.** Grantee's operations, offices and headquarters are located at the address for notices set forth in Section 15. All aspects of the Grant Plan will be implemented at the geographic location(s), if any, specified in the Grant Plan.
- 8.3 No Misstatements.** No document furnished or to be furnished by Grantee to City in connection with the Application Documents, this Agreement, any Funding Request or any other document relating to any of the foregoing, contains or will contain any untrue statement of material fact or omits or will omit a material fact necessary to make the statements contained therein not misleading, under the circumstances under which any such statement shall have been made.
- 8.4 Conflict of Interest.**
- (a) Through its execution of this Agreement, Grantee acknowledges that it is familiar with the provision of Section 15.103 of the City's Charter, Article III, Chapter 2 of the City's Campaign and Governmental Conduct Code, and Section 87100 et seq. and Section 1090 et seq. of the Government Code of the State of California, and certifies that it does not know of any facts which constitutes a violation of said provisions and agrees that it will immediately notify the City if it becomes aware of any such fact during the term of this Agreement.
 - (b) Not more than one member of an immediate family serves or will serve as an officer, director or employee of Grantee, without the prior written consent of City. For purposes of this subsection, "immediate family" shall include husband, wife, domestic partners, brothers, sisters, children and parents (both legal parents and stepparents).
- 8.5 No Other Agreements with City.** Except as expressly itemized in Appendix D, Interests in Other City Grants, neither Grantee nor any of Grantee's affiliates, officers, directors or employees has any interest, however remote, in any other agreement with

City including any commission, department or other subdivision thereof.

- 8.6 Subcontracts.** Except as may be permitted under Section 13.3, Grantee has not entered into any agreement, arrangement or understanding with any other person or entity pursuant to which such person or entity will implement or assist in implementing all or any portion of the Grant Plan.
- 8.7 Eligibility to Receive Federal Funds.** By executing this Agreement, Grantee certifies that Grantee is not suspended, debarred or otherwise excluded from participation in federal assistance programs. Grantee acknowledges that this certification of eligibility to receive federal funds is a material term of the Agreement.

ARTICLE 9 INDEMNIFICATION AND GENERAL LIABILITY

- 9.1 Indemnification.** Grantee shall indemnify, protect, defend and hold harmless each of the Indemnified Parties from and against any and all Losses arising from, in connection with or caused by: (a) a material breach of this Agreement by Grantee; (b) a material breach of any representation or warranty of Grantee contained in this Agreement; (c) any personal injury caused, directly or indirectly, by any act or omission of Grantee or its employees, Subgrantees or agents; (d) any property damage caused, directly or indirectly by any act or omission of Grantee or its employees, Subgrantees or agents; (e) the use, misuse or failure of any equipment or facility used by Grantee, or by any of its employees, Subgrantees or agents, regardless of whether such equipment or facility is furnished, rented or loaned to Grantee by an Indemnified Party; (f) any tax, fee, assessment or other charge for which Grantee is responsible under Article 7; or (g) any infringement of patent rights, copyright, trade secret or any other proprietary right or trademark of any person or entity in consequence of the use by any Indemnified Party of any goods or services furnished to such Indemnified Party in connection with this Agreement. Grantee's obligations under the immediately preceding sentence shall apply to any Loss that is caused in whole or in part by the active or passive negligence of any Indemnified Party, but shall exclude any Loss caused solely by the willful misconduct of the Indemnified Party. The foregoing indemnity shall include, without limitation, consultants and experts and related costs and City's costs of investigating any claims against the City.
- 9.2 Duty to Defend; Notice of Loss.** Grantee acknowledges and agrees that its obligation to defend the Indemnified Parties under Section 9.1: (a) is an immediate obligation, independent of its other obligations hereunder; (b) applies to any Loss which actually or potentially falls within the scope of Section 9.1, regardless of whether the allegations asserted in connection with such Loss are or may be groundless, false or fraudulent; and (c) arises at the time the Loss is tendered to Grantee by the Indemnified Party and continues at all times thereafter. The Indemnified Party shall give Grantee prompt notice of any Loss under Section 9.1 and Grantee shall have the right to defend, settle and compromise any such Loss; provided, however, that the Indemnified Party shall have the right to retain its own counsel at the expense of Grantee if representation of such

Indemnified Party by the counsel retained by Grantee would be inappropriate due to conflicts of interest between such Indemnified Party and Grantee. An Indemnified Party's failure to notify Grantee promptly of any Loss shall not relieve Grantee of any liability to such Indemnified Party pursuant to Section 9.1, unless such failure materially impairs Grantee's ability to defend such Loss. Grantee shall seek the Indemnified Party's prior written consent to settle or compromise any Loss if Grantee contends that such Indemnified Party shares in liability with respect thereto.

9.3 Incidental and Consequential Damages. Losses covered under this Article 9 shall include any and all incidental and consequential damages resulting in whole or in part from Grantee's acts or omissions. Nothing in this Agreement shall constitute a waiver or limitation of any rights that any Indemnified Party may have under applicable law with respect to such damages.

9.4 LIMITATION ON LIABILITY OF CITY. CITY'S OBLIGATIONS UNDER THIS AGREEMENT SHALL BE LIMITED TO THE AGGREGATE AMOUNT OF GRANT FUNDS ACTUALLY DISBURSED HEREUNDER. NOTWITHSTANDING ANY OTHER PROVISION CONTAINED IN THIS AGREEMENT, THE APPLICATION DOCUMENTS OR ANY OTHER DOCUMENT OR COMMUNICATION RELATING TO THIS AGREEMENT, IN NO EVENT SHALL CITY BE LIABLE, REGARDLESS OF WHETHER ANY CLAIM IS BASED ON CONTRACT OR TORT, FOR ANY SPECIAL, CONSEQUENTIAL, INDIRECT OR INCIDENTAL DAMAGES, INCLUDING LOST PROFITS, ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT, THE GRANT FUNDS, THE GRANT PLAN OR ANY ACTIVITIES PERFORMED IN CONNECTION WITH THIS AGREEMENT.

ARTICLE 10 INSURANCE

10.1 During the Term, Grantee will procure and maintain insurance against claims for injuries to persons or damage to property that may arise from or in connection with the performance of any work by the Grantee, its agents, representatives, employees or subcontractors and the Grantee's use and occupancy of the Premises.

10.2 Minimum Scope of Insurance. Grantee will obtain and maintain, and cause its contractors, subcontractors, and/or agents, as appropriate for each, to obtain and maintain, insurance and bonds as follows:

(a) Workers' Compensation, in statutory amounts, with Employers' Liability Limits not less than \$1,000,000 each accident, injury, or illness;

(b) Commercial General Liability Insurance with limits not less than \$2,000,000 each occurrence for Bodily Injury and Property Damage, including Contractual Liability, Personal Injury, Products and Completed Operations. Policy must include Abuse and Molestation coverage;

- (c) Commercial Automobile Liability Insurance with limits not less than \$1,000,000 each occurrence, "Combined Single Limit" for Bodily Injury and Property Damage, including Owned, Non-Owned and Hired auto coverage, as applicable;
- (d) Professional Liability Insurance, applicable to Tenant's profession, with limits not less than two million dollars (\$2,000,000), for each claim with respect to negligent acts, errors, or omissions in connection with this agreement.
- (e) A crime policy or fidelity bond covering Tenant's officers and employees against dishonesty with respect to the Funds of no less than 20% of the Annual Operating Budget each loss, with any deductible not to exceed \$5,000 each loss, including the City as additional obligee or loss payee, provided that Tenant shall be solely responsible for the costs of such deductible.
- (f) As applicable, pollution liability and/or asbestos pollution liability covering the work being performed with a limit no less than Two Million Dollars (\$2,000,000) each occurrence combined single limit, including coverage for on-site third-party claims for bodily injury and property damage;
- (g) Boiler and machinery insurance, comprehensive form, covering damage to, loss or destruction of machinery and equipment located on the Site that is used by Grantee for heating, ventilating, air-conditioning, power generation, and similar purposes, in an amount not less than one hundred percent (100%) of the actual then-current replacement value of such machinery and equipment; and
- (h) Property insurance, excluding earthquake, in the amount no less than One Hundred Percent (100%) of the then-current replacement value of all improvements and City property in the care, custody, and control of the Grantee or its contractor.

10.3 **Commercial Space.** Grantee will require that all nonresidential tenants' liability insurance policies include Grantee and the City as additional insureds, as their respective interests may appear. Throughout the term of any lease of Commercial Space, Grantee will require commercial tenants to maintain insurance as follows:

- (a) To the extent the tenant has "employees" as defined in the California Labor Code, workers' compensation insurance with employer's liability limits not less than One Million Dollars (\$1,000,000) each accident;
- (b) Commercial general 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 coverage for contractual liability; personal injury; advertisers' liability; including coverage for loss of income due to an insured peril for twelve (12) months; owners' and contractors' protective; broadform property damage; explosion, collapse and underground (XCU); products and completed operations coverage;

- (c) 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, hired and non-owned auto coverage, as applicable;
- (d) With respect to any tenant who has (or is required by Law to have) a liquor license and who is selling or distributing alcoholic beverages and/or food products on the leased premises, to maintain liquor and/or food products liability coverage with limits not less than One Million Dollars (\$1,000,000), as appropriate;
- (e) Special form coverage insurance, including vandalism and malicious mischief, in the amount of 100% of the full replacement cost thereof, covering all furnishings, fixtures, equipment, leasehold improvements, alterations and property of every kind of the tenant and of persons claiming through the tenant; and
- (f) Full coverage plate glass insurance covering any plate glass on the commercial space.

10.4 Additional Insured Endorsements

- (a) The Commercial General Liability policy must be endorsed to name as Additional Insured the City and County of San Francisco, its Officers, Agents, and Employees.
- (b) The Commercial Automobile Liability Insurance policy must be endorsed to name as Additional Insured the City and County of San Francisco, its Officers, Agents, and Employees.
- (c) The Commercial Automobile Liability Insurance policy must be endorsed to include (i) Auto Pollution Additional Insured Endorsement naming as Additional Insured the City and County of San Francisco, its Officers, Agents, and Employees; and (ii) if applicable, Form MCS-90 for Motor Carrier Policies of Insurance for Public Liability under Sections 29 and 30 of the Motor Carrier Act of 1980.

10.5 Waiver of Subrogation Endorsements. The Workers' Compensation policy(ies) shall be endorsed with a waiver of subrogation in favor of the City for all work performed by the Grantee, its employees, agents and subcontractors.

10.6 Primary Insurance

- (a) The Commercial General Liability policy shall provide that such 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 the insurance applies separately to each insured against whom claim is made or suit is brought.
- (b) The Commercial Automobile Liability Insurance policy shall provide that such 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 the insurance applies separately to each insured against whom claim is made or suit is brought.

- (c) The Pollution Liability Insurance policy shall provide that such 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 the insurance applies separately to each insured against whom claim is made or suit is brought.

10.7 Deductibles and Self-Insured Retentions. Any deductibles or self-insured retentions in excess of \$25,000 must be declared to and approved by the City. At the option of City, either: the insurer will reduce or eliminate the deductibles or self-insured retentions with respect to the City and County of San Francisco, and their respective commissioners, members, officers, agents, and employees; or the Grantee must procure a financial guarantee satisfactory to the City guaranteeing payment of losses and related investigations, claim administration, and defense expenses.

10.8 Insurance Requirements. Any insurance required by this Article 10 must also meet the following requirements:

- (a) Thirty (30) days' advance written notice shall be provided to the City of cancellation, intended non-renewal, or reduction in coverages, except for non-payment for which no less than ten (10) days' notice shall be provided to City. Notices shall be sent to the City address set forth in Section 24 entitled "Notices to the Parties."
- (b) Should any of the required insurance be provided under a claims-made form, Grantee shall maintain such coverage continuously throughout the term of this Lease and, without lapse, for a period of three years beyond the expiration of this Lease, to the effect that, should occurrences during the Agreement term give rise to claims made after expiration of the Agreement, such claims shall be covered by such claims-made policies.
- (c) Should any of the required insurance be 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 such general annual aggregate limit, such general annual aggregate limit shall be double the occurrence or claims limits specified above.
- (d) Should any required insurance lapse during the term of this Lease, requests for payments originating after such lapse shall not be processed until the City receives satisfactory evidence of reinstated coverage as required by this Lease, effective as of the lapse date. If insurance is not reinstated, the City may, at its sole option, terminate this Lease effective on the date of such lapse of insurance.
- (e) Before the Effective Date, Grantee shall furnish to City certificates of insurance and additional insured policy endorsements with insurers with ratings comparable to A-, VIII or higher, that are authorized to do business in the State of California, and that are satisfactory to City, in form evidencing all coverages set forth above. Approval of the insurance by City shall not relieve or decrease Grantee's liability hereunder.

- (f) If Grantee will use any subcontractor(s), Grantee shall require the subcontractor(s) to provide all necessary insurance and to name the City and County of San Francisco, its officers, agents and employees and the Grantee as additional insureds. All coverage for such subcontractor(s) will be subject to all of the requirements stated herein unless otherwise approved by the City.

10.9 Other Insurance Provisions. The policies must contain, or be endorsed to contain, the following provisions:

- (a) **General Liability and Automobile Liability Coverage:** The “City and County of San Francisco and their respective commissioners, members, officers, agents, and employees” are to be covered as additional insured with respect to: liability arising out of activities performed by or on behalf of the Grantee related to the Project; products and completed operations of the Grantee, premises owned, occupied or used by the Grantee related to the Project; and automobiles owned, leased, hired, or borrowed by the Grantee for the operations related to the Project. The coverage may not contain any special limitations on the scope of protection afforded to the City and its Commissioners, members, officers, agents, or employees.
- (b) **Workers’ Compensation and Property Insurance:** The insured will agree to waive all respective commissioners, members, officers, agents, and employees” for any losses in connection with this Project.
- (c) **Claims-made Coverage:** If any of the required insurance is provided under a claims-made form, Grantee will maintain such coverage continuously throughout the Term and, without lapse, for a period of three years beyond the expiration of this Lease, to the effect that, if occurrences during the contract term give rise to claims made after expiration of the Agreement, then those claims will be covered by the claims-made policies.
- (d) **All Coverage.** Each insurance policy required by this Article must:
 - Be endorsed to state that coverage will not be suspended, voided, canceled by either party, or reduced in coverage or in limits, except after thirty (30) days’ prior written notice has been given to City, except in the event of suspension for nonpayment of premium, in which case ten (10) days’ notice will be given.
 - (1) Contain a clause providing that the City and its officers, agents and employees will not be liable for any required premium.
 - (2) For any claims related to this Lease, the Grantee’s insurance coverage will be primary insurance with respect to the City and its commissioners, members, officers, agents, and employees. Any insurance or self-insurance maintained by the City or its commissioners, members, officers, agents, or employees will be in excess of the Grantee’s insurance and will not contribute with it.

- (3) The Grantee's insurance will apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
- (4) Any failure to comply with reporting provisions of the policies will not affect coverage provided to the City and its commissioners, members, officers, agents, or employees.
- (5) Approval of Grantee's insurance by the City will not relieve or decrease the liability of Grantee under this Lease.
- (6) The City reserves the right to require an increase in insurance coverage, including both coverage amounts and types of insurance, or otherwise change the insurance requirements of this Lease, if the City determines that conditions (including, but not limited to, property conditions, market conditions, or commercially reasonable practice) show cause for an increase, unless Grantee demonstrates to the City's satisfaction that the increased coverage is commercially unreasonable and unavailable to Grantee. Upon any such increase or change, Grantee will have a reasonable period, but in no event less than ninety (90) days, to obtain the requisite insurance.

10.10 Acceptability of Insurers. All insurers must have a Best's rating of no less than A-VIII or as otherwise approved by the City's Risk Manager.

10.11 Verification of Coverage. Grantee will furnish City with certificates of insurance and with original endorsements effecting coverage required by this clause at the commencement of this Lease and annually thereafter. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. City reserves the right to require complete, certified copies of all required insurance policies, including endorsements demonstrating the coverage required by these specifications at any time.

10.12 Contractor, Subcontractors, and Consultants Insurance. Grantee must include all subcontractors and consultants as additional insureds under its policies or furnish separate certificates and endorsements for each. Grantee will require the subcontractor(s) and consultants to provide all necessary insurance and to name the City and County of San Francisco, and their respective commissioners, members, officers, agents, and employees and the Grantee as additional insureds. All coverage for subcontractors and consultants will be subject to all of the requirements stated herein unless otherwise approved by the City's Risk Manager.

ARTICLE 11 EVENTS OF DEFAULT AND REMEDIES

11.1 Events of Default. The occurrence of any one or more of the following events shall constitute an "Event of Default" under this Agreement:

- (a) **False Statement.** Any statement, representation or warranty contained in this Agreement, in the Application Documents, in any Funding Request or in any other document submitted to City under this Agreement is found by City to be false or misleading.
- (b) **Failure to Provide Insurance.** Grantee fails to provide or maintain in effect any policy of insurance required in Article 10.
- (c) **Failure to Comply with Representations and Warranties or Applicable Laws.** Grantee fails to perform or breaches any of the terms or provisions of Article 8 or 16.
- (d) **Failure to Perform Other Covenants.** Grantee fails to perform or breaches any other agreement or covenant of this Agreement to be performed or observed by Grantee as and when performance or observance is due and such failure or breach continues for a period of ten (10) days after the date on which such performance or observance is due.
- (e) **Cross Default.** Grantee defaults under any other agreement between Grantee and City (after expiration of any grace period expressly stated in such agreement), including the Lease.
- (f) **Voluntary Insolvency.** Grantee (i) is generally not paying its debts as they become due, (ii) files, or consents by answer or otherwise to the filing against it of, a petition for relief or reorganization or arrangement or any other petition in bankruptcy or for liquidation or to take advantage of any bankruptcy, insolvency or other debtors' relief law of any jurisdiction, (iii) makes an assignment for the benefit of its creditors, (iv) consents to the appointment of a custodian, receiver, trustee or other officer with similar powers of Grantee or of any substantial part of Grantee's property or (v) takes action for the purpose of any of the foregoing.
- (g) **Involuntary Insolvency.** Without consent by Grantee, a court or government authority enters an order, and such order is not vacated within ten (10) days, (i) appointing a custodian, receiver, trustee or other officer with similar powers with respect to Grantee or with respect to any substantial part of Grantee's property, (ii) constituting an order for relief or approving a petition for relief or reorganization or arrangement or any other petition in bankruptcy or for liquidation or to take advantage of any bankruptcy, insolvency or other debtors' relief law of any jurisdiction or (iii) ordering the dissolution, winding-up or liquidation of Grantee.

11.2 Remedies upon Event of Default. Upon and during the continuance of an Event of Default, City may do any of the following, individually or in combination with any other remedy:

- (a) **Termination.** City may terminate this Agreement by giving a written termination notice to Grantee of the Event of Default and that, on the date specified in the notice,

this Agreement shall terminate, and all rights of Grantee hereunder shall be extinguished. In the sole discretion of the City, Grantee may be allowed ten (10) days to cure the default. In the event of termination for default, Grantee will be paid for Eligible Expenses in any Funding Request that was submitted and approved by City prior to the date of termination specified in such notice.

- (b) **Withholding of Grant Funds.** City may withhold all or any portion of Grant Funds not yet disbursed hereunder, regardless of whether Grantee has previously submitted a Funding Request or whether City has approved the disbursement of the Grant Funds requested in any Funding Request. Any Grant Funds withheld pursuant to this Section and subsequently disbursed to Grantee after cure of applicable Events of Default, if granted by the City in its sole discretion, shall be disbursed without interest.
- (c) **Offset.** City may offset against all or any portion of undisbursed Grant Funds hereunder or against any payments due to Grantee under any other agreement between Grantee and City the amount of any outstanding Loss incurred by any Indemnified Party, including any Loss incurred as a result of the Event of Default.
- (d) **Return of Grant Funds.** City may demand the immediate return of any previously disbursed Grant Funds that have been claimed or expended by Grantee in breach of the terms of this Agreement, together with interest thereon from the date of disbursement at the maximum rate permitted under applicable law.

11.3 Termination for Convenience. City shall have the option, in its sole discretion, to terminate this Agreement at any time for convenience and without cause. City shall exercise this option by giving Grantee written notice that specifies the effective date of termination. Upon receipt of the notice of termination, Grantee shall undertake with diligence all necessary actions to effect the termination of this Agreement on the date specified by City and minimize the liability of Grantee and City to third parties. Such actions shall include, without limitation:

- (a) Halting the performance of all work under this Agreement on the date(s) and in the manner specified by City;
- (b) Terminating all existing orders and subcontracts, and not placing any further orders or subcontracts for materials, services, equipment or other items; and
- (c) Completing performance of any work that City designates to be completed prior to the date of termination specified by City.

In no event shall City be liable for costs incurred by Grantee or any of its subcontractors after the termination date specified by City, except for those costs incurred at the request of City pursuant to this section.

11.4 Remedies Nonexclusive. Each of the remedies provided for in this Agreement may be

exercised individually or in combination with any other remedy available hereunder or under applicable laws, rules and regulations. The remedies contained herein are in addition to all other remedies available to City at law or in equity by statute or otherwise and the exercise of any such remedy shall not preclude or in any way be deemed to waive any other remedy.

ARTICLE 12 DISCLOSURE OF INFORMATION AND DOCUMENTS

- 12.1 Proprietary or Confidential Information of City.** Grantee understands and acknowledges that, in the performance of this Agreement or in contemplation thereof, Grantee may have access to private or confidential information that may be owned or controlled by City and that such information may contain proprietary or confidential information, the disclosure of which to third parties may be damaging to City. Grantee agrees that all information disclosed by City to Grantee shall be held in confidence and used only in the performance of this Agreement. Grantee shall exercise the same standard of care to protect such information as a reasonably prudent nonprofit entity would use to protect its own proprietary or confidential data.
- 12.2 Sunshine Ordinance.** Grantee acknowledges and agrees that this Agreement and the Application Documents are subject to Section 67.24(e) of the San Francisco Administrative Code, which provides that contracts, including this Agreement, grantee's bids, responses to Requests for Proposals and all other records of communications between City and persons or entities seeking contracts, shall be open to inspection immediately after a contract has been awarded. Nothing in Section 67.24(e) (as it exists on the date hereof) requires the disclosure of a private person's or organization's net worth or other proprietary financial data submitted for qualification for a contract or other benefit until and unless that person or organization is awarded the contract or benefit. All information provided by Grantee covered by Section 67.24(e) (as it may be amended from time to time) will be made available to the public upon request.
- 12.3 Financial Projections.** Pursuant to San Francisco Administrative Code Section 67.32, Grantee agrees upon request to provide City with financial projections (including profit and loss figures) for the activities and/or projects contemplated by this Grant ("Project") and annual audited financial statements thereafter. Grantee agrees that all such projections and financial statements shall be public records that must be disclosed.

ARTICLE 13 ASSIGNMENTS AND SUBCONTRACTING

- 13.1 No Assignment by Grantee.** Grantee shall not, either directly or indirectly, assign, transfer, hypothecate, subcontract or delegate all or any portion of this Agreement or any rights, duties or obligations of Grantee hereunder without the prior written consent of City. This Agreement shall not, nor shall any interest herein, be assignable as to the interest of Grantee involuntarily or by operation of law without the prior written consent of City. A change of ownership or control of Grantee or a sale or transfer of substantially

all of the assets of Grantee shall be deemed an assignment for purposes of this Agreement.

13.2 Agreement Made in Violation of this Article. Any agreement made in violation of Section 13.1 shall confer no rights on any person or entity and shall automatically be null and void.

13.3 Subcontracting. If Budget lists any permitted Subgrantees, then notwithstanding any other provision of this Agreement to the contrary, Grantee shall have the right to subcontract on the terms set forth in this Section. If Budget is blank or specifies that there are no permitted Subgrantees, then Grantee shall have no rights under this Section.

(a) **Limitations.**

(1) **Effective November 1, 2024 at 12:01 A.M. and ending on November 1, 2024 at 12:01 A.M.**

Grantee may subcontract any portion of the Grant Plan to 2B LIVING, INC., a California corporation, to provide Property Management and Master Lease Stewardship, as detailed in Appendix A-1.

(2) **Effective December 1, 2024 at 12:01 A.M.**

In no event shall Grantee subcontract or delegate the whole of the Grant Plan.

Grantee may subcontract with any of the permitted Subgrantees set forth on Budget without the prior consent of City; provided, however, that Grantee shall not thereby be relieved from any liability or obligation under this Agreement and, as between City and Grantee, Grantee shall be responsible for the acts, defaults and omissions of any Subgrantee or its agents or employees as fully as if they were the acts, defaults or omissions of Grantee. Grantee shall ensure that its Subgrantees comply with all of the terms of this Agreement, insofar as they apply to the subcontracted portion of the Grant Plan. All references herein to duties and obligations of Grantee shall be deemed to pertain also to all Subgrantees to the extent applicable. A default by any Subgrantee shall be deemed to be an Event of Default hereunder. Nothing contained in this Agreement shall create any contractual relationship between any Subgrantee and City.

(b) **Terms of Subcontract.** Each subcontract shall be in form and substance acceptable to City and shall expressly provide that it may be assigned to City without the prior consent of the Subgrantee. In addition, each subcontract shall incorporate all of the terms of this Agreement, insofar as they apply to the subcontracted portion of the Grant Plan. Without limiting the scope of the foregoing, each subcontract shall provide City, with respect to the Subgrantee, the audit and inspection rights set forth in Section 6.6. Upon the request of City, Grantee shall promptly furnish to City true and correct copies of each subcontract permitted hereunder.

13.4 Grantee Retains Responsibility. Grantee shall remain liable for the performance by any assignee or Subgrantee of all of the covenants terms and conditions contained in this Agreement.

ARTICLE 14
INDEPENDENT CONTRACTOR STATUS

- 14.1 Nature of Agreement.** Grantee shall be deemed at all times to be an independent contractor and is solely responsible for the manner in which Grantee implements the Grant Plan and uses the Grant Funds. Grantee shall at all times remain solely liable for the acts and omissions of Grantee, its officers and directors, employees and agents. Nothing in this Agreement shall be construed as creating a partnership, joint venture, employment or agency relationship between City and Grantee.
- 14.2 Direction.** Any terms in this Agreement referring to direction or instruction from the Department or City shall be construed as providing for direction as to policy and the result of Grantee's work only, and not as to the means by which such a result is obtained.
- 14.3 Consequences of Recharacterization.**
- (a) Should City, in its discretion, or a relevant taxing authority such as the Internal Revenue Service or the State Employment Development Division, or both, determine that Grantee is an employee for purposes of collection of any employment taxes, the amounts payable under this Agreement shall be reduced by amounts equal to both the employee and employer portions of the tax due (and offsetting any credits for amounts already paid by Grantee which can be applied against this liability). City shall subsequently forward such amounts to the relevant taxing authority.
 - (b) Should a relevant taxing authority determine a liability for past services performed by Grantee for City, upon notification of such fact by City, Grantee shall promptly remit such amount due or arrange with City to have the amount due withheld from future payments to Grantee under this Agreement (again, offsetting any amounts already paid by Grantee which can be applied as a credit against such liability).
 - (c) A determination of employment status pursuant to either subsection (a) or (b) of this Section 14.3 shall be solely for the purposes of the particular tax in question, and for all other purposes of this Agreement, Grantee shall not be considered an employee of City. Notwithstanding the foregoing, if any court, arbitrator, or administrative authority determine that Grantee is an employee for any other purpose, Grantee agrees to a reduction in City's financial liability hereunder such that the aggregate amount of Grant Funds under this Agreement does not exceed what would have been the amount of such Grant Funds had the court, arbitrator, or administrative authority had not determined that Grantee was an employee.

ARTICLE 15
NOTICES AND OTHER COMMUNICATIONS

- 15.1 Requirements.** Unless otherwise specifically provided herein, all notices, consents, directions, approvals, instructions, requests and other communications hereunder shall be in writing, shall be addressed to the person and address set forth below and may be sent

by U.S. mail or email, and shall be addressed as follows:

If to the Department or City: Department of Homelessness and Supportive Housing
Contracts Unit
440 Turk Street
San Francisco, CA 94102
hshcontracts@sfgov.org

If to Grantee: Abode Property Management
481 Valley Way
Milpitas, CA 95035
Attn: Louis Chicoine
LChicoine@abode.org

Any notice of default must be sent by certified mail or other trackable written communication.

- 15.2 Effective Date.** All communications sent in accordance with Section 15.1 shall become effective on the date of receipt.
- 15.3 Change of Address.** Any party hereto may designate a new address for purposes of this Article 15 by notice to the other party.

ARTICLE 16 COMPLIANCE

- 16.1 Prevailing Wage.** Any undefined, initially-capitalized term used in this Section has the meaning given to that term in San Francisco Administrative Code Section 23.61 and the Lease. Grantee 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 (1) pay workers performing such work not less than the Prevailing Rate of Wages, (2) provide the same hours, working conditions, and benefits as in each case are provided for similar work performed in San Francisco County, and (3) employ Apprentices in accordance with San Francisco Administrative Code Section 23.61 (collectively, “Prevailing Wage Requirements”). Grantee will cooperate with the City in any action or proceeding against a Contractor or Subcontractor that fails to comply with the Prevailing Wage Requirements.

Grantee will include, and will require its subtenants, and Contractors and Subcontractors (regardless of tier) to include, the Prevailing Wage Requirements and the agreement to cooperate in City enforcement actions in any Construction Contract with specific reference to San Francisco Administrative Code Section 23.61. Each such Construction Contract must name the City and County of San Francisco, affected workers, and

employee organizations formally representing affected workers as third party beneficiaries for the limited purpose of enforcing the Prevailing Wage Requirements, including the right to file charges and seek penalties against any Contractor or Subcontractor in accordance with San Francisco Administrative Code Section 23.61. Grantee's failure to comply with its obligations under this Section will constitute a material breach of the Lease. A Contractor's or Subcontractor's failure to comply with this Section will enable the 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, contact the City's Office of Labor Standards Enforcement.

16.2 Nondiscrimination; Penalties.

- (a) **Grantee Shall Not Discriminate.** In the performance of this Agreement, Grantee agrees not to discriminate against any employee, City and County employee working with such grantee or Subgrantee, applicant for employment with such grantee or Subgrantee, 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 such protected classes, or in retaliation for opposition to discrimination against such classes.
- (b) **Subcontracts.** Grantee shall incorporate by reference in all subcontracts the provisions of Sections 12B.2(a), 12B.2(c)-(k), and 12C.3 of the San Francisco Administrative Code and shall require all Subgrantees to comply with such provisions. Grantee's failure to comply with the obligations in this subsection shall constitute a material breach of this Agreement.
- (c) **Non-Discrimination in Benefits.** Grantee does not as of the date of this Agreement and will not during the term of this Agreement, in any of its operations in San Francisco or where the work is being performed for the City or elsewhere within the United States, discriminate in the provision of bereavement leave, family medical leave, health benefits, membership or membership discounts, moving expenses, pension and retirement benefits or travel benefits, as well as any benefits other than the benefits specified above, between employees with domestic partners and employees with spouses, and/or between the domestic partners and spouses of such employees, where the domestic partnership has been registered with a governmental entity pursuant to state or local law authorizing such registration, subject to the conditions set forth in Section 12B.2(b) of the San Francisco Administrative Code.
- (d) **Condition to Contract.** As a condition to this Agreement, Grantee shall execute the "Chapter 12B Declaration: Nondiscrimination in Contracts and Benefits" form (Form CMD-12B-101) with supporting documentation and secure the approval of the form by the San Francisco Contract Monitoring Division.

(e) **Incorporation of Administrative Code Provisions by Reference.** The provisions of Chapters 12B and 12C of the San Francisco Administrative Code are incorporated in this Section by reference and made a part of this Agreement as though fully set forth herein. Grantee shall comply fully with and be bound by all of the provisions that apply to this Agreement under such Chapters of the Administrative Code, including the remedies provided in such Chapters. Without limiting the foregoing, Grantee understands that pursuant to Sections 12B.2(h) and 12C.3(g) of the San Francisco Administrative Code, a penalty of fifty dollars (\$50) for each person for each calendar day during which such person was discriminated against in violation of the provisions of this Agreement may be assessed against Grantee and/or deducted from any payments due Grantee.

16.3 Reserved.

16.4 Tropical Hardwood and Virgin Redwood Ban. Pursuant to § 804(b) of the San Francisco Environment Code, City urges all grantees not to import, purchase, obtain, or use for any purpose, any tropical hardwood, tropical hardwood wood product, virgin redwood or virgin redwood wood product.

16.5 Drug-Free Workplace Policy. Grantee acknowledges that pursuant to the Federal Drug-Free Workplace Act of 1989, the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited on City premises. Grantee and its employees, agents or assigns shall comply with all terms and provisions of such Act and the rules and regulations promulgated thereunder.

16.6 Resource Conservation; Liquidated Damages. Chapter 5 of the San Francisco Environment Code (Resource Conservation) is incorporated herein by reference. Failure by Grantee to comply with any of the applicable requirements of Chapter 5 will be deemed a material breach of contract. If Grantee fails to comply in good faith with any of the provisions of Chapter 5, Grantee shall be liable for liquidated damages in an amount equal to Grantee's net profit under this Agreement, or five percent (5%) of the total contract amount, whichever is greater. Grantee acknowledges and agrees that the liquidated damages assessed shall be payable to City upon demand and may be offset against any monies due to Grantee from any contract with City.

16.7 Compliance with ADA. Grantee acknowledges that, pursuant to the ADA, programs, services and other activities provided by a public entity to the public, whether directly or through a grantee or contractor, must be accessible to the disabled public. Grantee shall not discriminate against any person protected under the ADA in connection with all or any portion of the Grant Plan and shall comply at all times with the provisions of the ADA.

16.8 Requiring Minimum Compensation for Employees. Grantee shall pay covered employees no less than the minimum compensation required by San Francisco Labor and Employment Code Article 111, including a minimum hourly gross compensation,

compensated time off, and uncompensated time off. Grantee is subject to the enforcement and penalty provisions in Article 111. Information about and the text of the Article 111 is available on the web at <http://sfgov.org/olse/mco>. Grantee is required to comply with all of the applicable provisions of Article 111, irrespective of the listing of obligations in this Section. By signing and executing this Agreement, Grantee certifies that it complies with Article 111.

16.9 Limitations on Contributions. By executing this Agreement, Grantee acknowledges its obligations under section 1.126 of the City’s Campaign and Governmental Conduct Code, which prohibits any person who contracts with, or is seeking a contract with, any department of 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, for a grant, loan or loan guarantee, or for a development agreement, from making any campaign contribution to (i) a City elected official if the contract must be approved by that official, a board on which that official serves, or the board of a state agency on which an appointee of that official serves, (ii) a candidate for that City elective office, or (iii) a committee controlled by such elected official or a candidate for that office, at any time from the submission of a proposal for the contract until the later of either the termination of negotiations for such contract or twelve months after the date the City approves the contract. The prohibition on contributions applies to each prospective party to the contract; each member of Grantee’s board of directors; Grantee’s chairperson, chief executive officer, chief financial officer and chief operating officer; any person with an ownership interest of more than 10 percent in Grantee; any subcontractor listed in the bid or contract; and any committee that is sponsored or controlled by Grantee. Grantee 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 grant, and has provided the names of the persons required to be informed to the City department with whom it is contracting.

16.10 First Source Hiring Program. Contractor 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 Agreement, and Contractor is subject to the enforcement and penalty provisions in Chapter 83.

16.11 Prohibition on Political Activity with City Funds. In accordance with San Francisco Administrative Code Chapter 12.G, no funds appropriated by the City and County of San Francisco for this Agreement may be expended for organizing, creating, funding, participating in, supporting, or attempting to influence any political campaign for a candidate or for a ballot measure (collectively, “Political Activity”). The terms of San Francisco Administrative Code Chapter 12.G are incorporated herein by this reference. Accordingly, an employee working in any position funded under this Agreement shall not engage in any Political Activity during the work hours funded hereunder, nor shall any equipment or resource funded by this Agreement be used for any Political Activity. In the event Grantee, or any staff member in association with Grantee, engages in any Political Activity, then (i) Grantee shall keep and maintain appropriate records to evidence compliance with this section, and (ii) Grantee shall have the burden to prove

that no funding from this Agreement has been used for such Political Activity. Grantee agrees to cooperate with any audit by the City or its designee in order to ensure compliance with this section. In the event Grantee violates the provisions of this section, the City may, in addition to any other rights or remedies available hereunder, (i) terminate this Agreement and any other agreements between Grantee and City, (ii) prohibit Grantee from bidding on or receiving any new City contract for a period of two (2) years, and (iii) obtain reimbursement of all funds previously disbursed to Grantee under this Agreement.

16.12 Preservative-treated Wood Containing Arsenic. Grantee may not purchase preservative-treated wood products containing arsenic in the performance of this Agreement unless an exemption from the requirements of Chapter 13 of the San Francisco Environment Code is obtained from the Department of the Environment under Section 1304 of the Code. The term “preservative-treated wood containing arsenic” shall mean wood treated with a preservative that contains arsenic, elemental arsenic, or an arsenic copper combination, including, but not limited to, chromated copper arsenate preservative, ammoniacal copper zinc arsenate preservative, or ammoniacal copper arsenate preservative. Grantee may purchase preservative-treated wood products on the list of environmentally preferable alternatives prepared and adopted by the Department of the Environment. This provision does not preclude Grantee from purchasing preservative-treated wood containing arsenic for saltwater immersion. The term “saltwater immersion” shall mean a pressure-treated wood that is used for construction purposes or facilities that are partially or totally immersed in saltwater.

16.13 Reserved. (Working with Minors).

16.14 Protection of Private Information. Grantee has read and agrees to the terms set forth in San Francisco Administrative Code Sections 12M.2, “Nondisclosure of Private Information,” and 12M.3, “Enforcement” of Administrative Code Chapter 12M, “Protection of Private Information,” which are incorporated herein as if fully set forth. Grantee agrees that any failure of Grantee to comply with the requirements of Section 12M.2 of this Chapter shall be a material breach of the Agreement. In such an event, in addition to any other remedies available to it under equity or law, the City may terminate the Agreement, bring a false claim action against Grantee pursuant to Chapter 6 or Chapter 21 of the Administrative Code, or debar Grantee.

16.15 Public Access to Meetings and Records. If Grantee receives a cumulative total per year of at least \$250,000 in City funds or City-administered funds and is a non-profit organization as defined in Chapter 12L of the San Francisco Administrative Code, Grantee shall comply with and be bound by all the applicable provisions of that Chapter. By executing this Agreement, Grantee agrees to open its meetings and records to the public in the manner set forth in Sections 12L.4 and 12L.5 of the Administrative Code. Grantee further agrees to make good-faith efforts to promote community membership on its Board of Directors in the manner set forth in Section 12L.6 of the Administrative Code. Grantee acknowledges that its material failure to comply with any of the provisions of this paragraph shall constitute a material breach of this Agreement.

Grantee further acknowledges that such material breach of the Agreement shall be grounds for the City to terminate and/or not renew the Agreement, partially or in its entirety.

16.16 Consideration of Criminal History in Hiring and Employment Decisions.

- (a) Contractor 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 Agreement as though fully set forth herein. The text of the Chapter 12T is available on the web at <http://sfgov.org/olse/fco> Contractor is required to comply with all of the applicable provisions of 12T, irrespective of the listing of obligations in this Section. Capitalized terms used in this Section and not defined in this Agreement shall have the meanings assigned to such terms in Chapter 12T.
- (b) The requirements of Chapter 12T shall only apply to a Contractor’s or subcontractor’s operations to the extent those operations are in furtherance of the performance of this Agreement, shall apply only to applicants and employees who would be or are performing work in furtherance of this Agreement, 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. 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.

16.17 Food Service Waste Reduction Requirements. Grantee agrees to comply fully with and be bound by all of the provisions of the Food Service Waste Reduction Ordinance, as set forth in San Francisco Environment Code Chapter 16, including the remedies provided, and implementing guidelines and rules. The provisions of Chapter 16 are incorporated herein by reference and made a part of this Agreement as though fully set forth. This provision is a material term of this Agreement. By entering into this Agreement, Grantee agrees that if it breaches this provision, City will suffer actual damages that will be impractical or extremely difficult to determine; further, Grantee agrees that the sum of one hundred dollars (\$100) liquidated damages for the first breach, two hundred dollars (\$200) liquidated damages for the second breach in the same year, and five hundred dollars (\$500) liquidated damages for subsequent breaches in the same year is reasonable estimate of the damage that City will incur based on the violation, established in light of the circumstances existing at the time this Agreement was made. Such amount shall not be considered a penalty, but rather agreed monetary damages sustained by City because of Grantee’s failure to comply with this provision.

16.18 Reserved. (Slavery Era Disclosure).

16.19 Distribution of Beverages and Water.

- (a) **Sugar-Sweetened Beverage Prohibition.** Grantee agrees that it shall 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 Agreement.
- (b) **Waived pursuant to San Francisco Environment Code Chapter 24, section 2406. (Packaged Water Prohibition).**

16.20 Duty to Collect and Record Client Sexual Orientation and Gender Identity Data.

Contractor shall comply with San Francisco Administrative Code Chapter 104 by seeking to collect and record information about clients' sexual orientation and gender identity, and reporting such data to the Department of Homelessness and Supportive Housing at intake and as instructed by the Department. In seeking to collect information about clients' sexual orientation and gender identity, Contractor shall: (1) communicate to clients that the provision of sexual orientation and gender identity information is voluntary, and no direct services shall be denied to clients who decline to provide that information; (2) solicit gender identity and sexual orientation data using questions and approaches consistent with the Department of Public Health's Policies and Procedures entitled "Sexual Orientation Guidelines: Principles for Collecting, Coding, and Reporting Identity Data," reissued on September 2, 2014, and "Sex and Gender Guidelines: Principles for Collecting, Coding, and Reporting Identity Data," reissued on September 2, 2014, or any successor Policies and Procedures; and (3) advise clients that they will protect personally identifiable information regarding clients' sexual orientation and gender identity from unauthorized disclosure, to the extent permitted by law. The duty to collect information about gender identity and sexual orientation shall not apply to the extent such collection is incompatible with any professionally reasonable clinical judgment that is based on articulable facts of clinical significance. Further, Contractor shall protect personally identifiable information from unauthorized disclosure, to the extent permitted by law and as required by the Health Insurance Portability and Accountability Act, the California Medical Information Act, Article 1 of the California Constitution, the California Health and Safety Code and regulations promulgated thereunder, the California Welfare and Institutions Code and regulations promulgated thereunder, and any other applicable provision of federal or state law.

16.21 Compliance with Other Laws.

- (a) Without limiting the scope of any of the preceding sections of this Article 16, Grantee shall keep itself fully informed of City's Charter, codes, ordinances and regulations and all state, and federal laws, rules and regulations affecting the performance of this Agreement and shall at all times comply with such Charter codes, ordinances, and regulations rules and laws.
- (b) Grantee represents that it is in good standing with the California Attorney General's Registry of Charitable Trusts and will remain in good standing during the term of this Agreement. Grantee shall immediately notify City of any change in its eligibility to

perform under the Agreement. Upon City request, Grantee shall provide documentation demonstrating its compliance with applicable legal requirements. If Grantee will use any Subgrantees/subrecipients/ subcontractors to perform the Agreement, Grantee is responsible for ensuring they are also in compliance with the California Attorney General's Registry of Charitable Trusts at the time of grant execution and for the duration of the agreement. Any failure by Grantee or any Subgrantees/subrecipients/subcontractors to remain in good standing with applicable requirements shall be a material breach of this Agreement.

16.22 Reserved. (Additional Provisions for Shelter and Resource Center Grants – Standard of Care).

16.23 Additional Requirements for Federally-Funded Awards, when applicable.

- (a) Grantee shall comply with the requirements described in 2 CFR 25.200, or any successor provisions, to provide a valid Unique Entity Identifier (UEI) and maintain an active SAM.gov registration with current information.
- (b) The Grant Agreement is subject to 2 CFR Part 175, Award Term for Trafficking in Persons. Federal funding under this Grant Agreement may be terminated without penalty if Grantee:
 - (1) Engages in severe forms of trafficking in persons during the period of time that the award is in effect;
 - (2) Procures a commercial sex act during the period of time that the award is in effect; or
 - (3) Uses forced labor in the performance of the award or sub-awards under the award.

**ARTICLE 17
MISCELLANEOUS**

17.1 No Waiver. No waiver by the Department or City of any default or breach of this Agreement shall be implied from any failure by the Department or City to take action on account of such default if such default persists or is repeated. No express waiver by the Department or City shall affect any default other than the default specified in the waiver and shall be operative only for the time and to the extent therein stated. Waivers by City or the Department of any covenant, term or condition contained herein shall not be construed as a waiver of any subsequent breach of the same covenant, term or condition. The consent or approval by the Department or City of any action requiring further consent or approval shall not be deemed to waive or render unnecessary the consent or approval to or of any subsequent similar act.

17.2 Modification. This Agreement may not be modified, nor may compliance with any of its terms be waived, except by written instrument executed and approved in the same

manner as this Agreement.

- 17.3 Administrative Remedy for Agreement Interpretation.** Should any question arise as to the meaning or intent of this Agreement, the question shall, prior to any other action or resort to any other legal remedy, be referred to Department Head, as the case may be, of the Department who shall decide the true meaning and intent of the Agreement. Such decision shall be final and conclusive.
- 17.4 Governing Law; Venue.** The formation, interpretation and performance of this Agreement shall be governed by the laws of the State of California, without regard to its conflict of laws principles. Venue for all litigation relative to the formation, interpretation and performance of this Agreement shall be in San Francisco.
- 17.5 Headings.** All article and section headings and captions contained in this Agreement are for reference only and shall not be considered in construing this Agreement.
- 17.6 Entire Agreement.** This Agreement and the Application Documents set forth the entire Agreement between the parties, and supersede all other oral or written provisions. If there is any conflict between the terms of this Agreement and the Application Documents, the terms of this Agreement shall govern. The following appendices are attached to and a part of this Agreement:
- Appendix A-1, Services to be Provided
 - Appendix A-2, Services to be Provided
 - Appendix B, Budget
 - Appendix C, Method of Payment
 - Appendix D, Interests in Other City Grants
 - Exhibit 1, Ground Lease
- 17.7 Certified Resolution of Signatory Authority.** Upon request of City, Grantee shall deliver to City a copy of the corporate resolution(s) authorizing the execution, delivery and performance of this Agreement, certified as true, accurate and complete by the secretary or assistant secretary of Grantee.
- 17.8 Severability.** Should the application of any provision of this Agreement to any particular facts or circumstances be found by a court of competent jurisdiction to be invalid or unenforceable, then (a) the validity of other provisions of this Agreement shall not be affected or impaired thereby, and (b) such provision shall be enforced to the maximum extent possible so as to effect the intent of the parties and shall be reformed without further action by the parties to the extent necessary to make such provision valid and enforceable.
- 17.9 Successors; No Third-Party Beneficiaries.** Subject to the terms of Article 13, the terms of this Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their successors and assigns. Nothing in this Agreement, whether express or implied, shall be construed to give any person or entity (other than the parties hereto and their

respective successors and assigns and, in the case of Article 9, the Indemnified Parties) any legal or equitable right, remedy or claim under or in respect of this Agreement or any covenants, conditions or provisions contained herein.

17.10 Survival of Terms. The obligations of Grantee and the terms of the following provisions of this Agreement shall survive and continue following expiration or termination of this Agreement:

Section 4.3	Ownership of Results.
Section 6.4	Financial Statements.
Section 6.5	Books and Records.
Section 6.6	Inspection and Audit.
Section 6.7	Submitting False Claims.
Article 7	Taxes.
Article 8	Representations and Warranties.
Article 9	Indemnification and General Liability.
Section 10.4	Required Post-Expiration Coverage.
Article 12	Disclosure of Information and Documents.
Section 13.4	Grantee Retains Responsibility.
Section 14.3	Consequences of Recharacterization.
This Article 17	Miscellaneous.

17.11 Further Assurances. From and after the date of this Agreement, Grantee agrees to do such things, perform such acts, and make, execute, acknowledge and deliver such documents as may be reasonably necessary or proper and usual to complete the transactions contemplated by this Agreement and to carry out the purpose of this Agreement in accordance with this Agreement.

17.12 Reserved.

17.13 Cooperative Drafting. This Agreement has been drafted through a cooperative effort of both parties, and both parties have had an opportunity to have the Agreement reviewed and revised by legal counsel. No party shall be considered the drafter of this Agreement, 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 Agreement.

17.14 Services During a City-Declared Emergency. In case of an emergency as declared by the Mayor under Charter section 3.100, Grantee will make a good faith effort to continue to provide the services set forth in Eligible Expenses. Any services provided beyond those listed in Eligible Expenses must be approved by the Department.

17.15 MacBride Principles--Northern Ireland. Pursuant to San Francisco Administrative Code Section 12F.5, City urges companies doing business in Northern Ireland to move towards resolving employment inequities, and encourages such companies to abide by the MacBride Principles. City urges San Francisco companies to do business with corporations that abide by the MacBride Principles. By signing below, the person

executing this agreement on behalf of Grantee acknowledges and agrees that he or she has read and understood this section.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date first specified herein. The signatories to this Agreement warrant and represent that they have the authority to enter into this agreement on behalf of the respective parties and to bind them to the terms of this Agreement.

CITY

GRANTEE

**DEPARTMENT OF HOMELESSNESS
AND SUPPORTIVE HOUSING**

ABODE PROPERTY MANAGEMENT

By: _____
Shireen McSpadden
Executive Director

By: _____
Louis Chicoine
Chief Executive Officer
City Supplier Number: 50037

Approved as to Form:
David Chiu
City Attorney

By: _____
Adam Radtke
Deputy City Attorney

Appendix A-1, Services to be Provided
by
Abode Property Management
South of Market Transitional Age Youth Permanent Supportive Housing

I. Purpose of Grant

The purpose of the grant is to provide Property Management and Master Lease Stewardship to the served population. The goals of these services are to support tenants in retaining their housing; or moving to other appropriate housing.

II. Served Population

Grantee shall serve Transitional Age Youth (“TAY”) tenants experiencing homelessness, aged 18 to 24, and will also serve those aged 25 to 29 who have been part of the Homelessness Response System (HRS) as TAY without minor children with a focused expertise to address the unique cultural needs of those that identify as Transgender and Gender Non-Conforming and Intersex (TGNCI+).

III. Referral and Prioritization

All new tenants will be referred by the Department of Homelessness and Supportive Housing (HSH) via the Coordinated Entry System, which organizes the City’s Homelessness Response System (HRS) with a common, population-specific assessment, centralized data system, and prioritization method.

Eligibility criteria for Permanent Supportive Housing (PSH) varies upon the subsidy funding source and may include meeting a definition of homelessness at the time of referral and placement, enrollment in specific benefits programs, income criteria and/or the ability to live independently within the structure of the housing program. Tenants who meet eligibility criteria for PSH are prioritized based on various criteria, such as levels of vulnerability, length and history of homelessness, and severity of housing barriers.

IV. Description of Services

Grantee shall provide the following services to the total number of units listed in Appendix B, Budget (“Number Served” tab).

A. Property Management

1. Program Applicant Selection and Intake: Grantee shall align with Housing First principles and follow the processes agreed upon by Grantee, HSH, housing subsidy administrators, fair housing laws, and/or other entities involved with referrals.

Under Housing First, tenant screening and selection practices must promote accepting applicants regardless of their sobriety or use of substances, completion of treatment, or participation in services. Applicants must not be rejected on the basis of poor credit or financial history, poor or lack of rental history, criminal convictions unrelated to tenancy, or behaviors that indicate a lack of “housing readiness,” as further described in California Welfare and Institutions Code section 8255.

Grantee shall adhere to all published HSH policies, including, but not limited to those covering tenant intake, HSH housing documentation, reasonable accommodation, and transfers when accepting referrals and placing tenants into housing.

2. Tenant Lease Set-Up: Grantee shall draft, provide, and sign a rental agreement with each tenant at the time of move-in. The lease agreement shall include Community Rules, the Program Participant Rules for PSH, HSH Resident Emergency Safety Check Policy Notice, and other pertinent Lease Addenda. Grantee shall review its Grievance policies and procedures and HSH policies and procedures with tenants at the time of lease signing.
3. Annual Tenant Re-certification: Grantee will use commercially reasonable efforts to promptly obtain initial and annual income certifications for all PSH Residents. Annual income re-certification should generally be completed on the anniversary of a Resident's move-in date or another building-wide annual recertification date.
4. Collection of Rents, Security Deposits, and Other Receipts: Grantee shall collect and process rent and other housing-related payments (e.g. security deposit) made by tenants.
 - a. Grantee shall communicate and coordinate with local, state and/or federal agencies, as needed, to process rental subsidies.
 - b. Grantee shall assist with payment arrangements and comply with HSH and other applicable requirements governing the tenant portion of rent. All PSH tenants will pay no more than 30 percent of their monthly adjusted household income towards rent.
5. Lease Enforcement, Written Notices and Eviction Prevention:
 - a. Grantee shall take a housing retention approach to lease enforcement, including, but not limited to, proactive engagement in collaboration with Support Services, conversations and meetings with tenants, and mediation strategies. Grantee shall utilize the HSH Nonpayment of Rent Guidance, and other PSH best practices, as an ongoing resource.
 - b. Grantee shall provide written notice to tenants regarding issues that may impact housing stability including, but not limited to, discontinuance from benefits, non-payment of rent, lease violations or warnings from Property Management, and conflicts with staff or other tenants.
 - c. Grantee shall offer tenants who become delinquent in rent the opportunity to enter into a rent payment plan or referral to third party rent payment services.
 - d. When necessary, Grantee shall provide notice to tenants of any actions related to the eviction process in accordance with all applicable laws.
 - e. Grantee shall copy Support Services staff on all communications to tenants.
6. Building Service Payments: Grantee shall set up and manage utility accounts and services related to the property, including but not limited to communications, alarms/security, fire alarm monitoring, electricity, telephone, natural gas, garbage, water, and pest control. This may include elevator maintenance, as required. Grantee shall pay all deposits, connection, installation, and use charges imposed in connection with such services as Project Expenses.
7. Building Maintenance: Grantee shall maintain the facility in sanitary and operable condition, post protocol and forms for tenant requests for maintenance or repairs

and respond to requests in a timely manner. Building maintenance shall include the following services:

- a. Janitorial services in common areas, offices, and shared-use restrooms, and shower facilities;
 - b. Regular removal of garbage/trash from designated trash areas and maintenance of these areas as clean and functional;
 - c. Pest control services, as needed;
 - d. Maintenance and repair of facility systems, plumbing, electrical;
 - e. Building security;
 - f. Maintain external adjacent areas of building clean and free of debris and graffiti;
 - g. Preparation of apartments for tenant move-in and move-out; and
 - h. Development of a preventative maintenance schedule for review and approval by HSH, and monitor adherence to the approved schedule.
8. Coordination with Support Services: If a tenant is facing housing instability, Grantee shall coordinate with Support Services staff to find creative ways to engage with tenants to prevent housing loss. Grantee shall work with Support Services staff in communicating with and meeting with tenant regarding behaviors and issues that put the tenant at risk for housing instability. Grantee shall participate in regular coordination meetings with Support Services to review tenants at risk for eviction and strategize on how to support tenants in maintaining their housing.
9. Wellness Checks and Emergency Safety Checks: Grantee shall conduct Wellness Checks and/or Emergency Safety Checks in accordance with the HSH Emergency Safety Check Policy and Procedure, internal agency policies and applicable laws to assess a tenant's safety when there is a reason to believe the tenant is at immediate and substantial risk due to a medical and/or psychiatric emergency.
10. Front Desk Coverage: Grantee shall provide front desk coverage 24 hours per day, seven days per week and including holidays.
11. Harm reduction and overdose prevention: Integrate harm reduction principles into service delivery and agency structure as well as follow the HSH Overdose Prevention Policy. Staff that work directly with tenants must complete annual trainings on harm reduction and overdose recognition and response.
12. Exit Planning: Grantee shall alert Support Services staff when tenants give notice to leave housing and shall keep a record of each tenant's forwarding address, whenever possible. Grantee shall provide exit information to Support Services to complete the client program exit in the Online Navigation and Entry (ONE) System.
13. Asset Management: Grantee shall partner with HSH to safeguard the physical and financial health of the property and provide asset management and compliance reporting services, which include, but not limited to, the following:
- a. Grantee will maintain the physical and financial health of the Premises including: providing an updated capital needs assessment for review by HSH every five years after the Agreement Date, implement any HSH-approved capital improvement plan for the Premises, develop a

- preventative maintenance plan, and respond to any property financial performance and compliance reports required under any agreements;
- b. Monitoring and reporting to HSH on property financial performance including an annual audit completed by a certified accountant, recommending related actions, as appropriate; and
- c. Monitoring and reporting to HSH on compliance requirements related to the funding and other regulatory requirements, recommending related actions, as appropriate.

14. Cultural Competency and Staff Training: Grantee shall implement mandatory cultural competency staff training for new hires and on an ongoing basis. Trainings will include but are not limited to, serving TGNCI+ identified individuals experiencing homelessness, and transitional aged youth . Grantee shall ensure Property Management staff complete the Affirming Trans Access to Housing (ATAH)- Training Symposiums facilitated by HSH and OTI.

B. Compliance with Lease:

1. Grantee shall operate the Property in accordance with the Lease at all times and in all respects.
2. Grantee shall coordinate and conduct regular asset management meetings with HSH staff to address ongoing maintenance and capital needs at the Property.
3. Grantee shall obtain HSH approval prior to entering into any agreement that will materially impact the HSH-funded portion of the budget.

C. Leasing and Management of Commercial Space:

1. Grantee shall provide leasing and commercial management of the three-ground floor commercial spaces, including management of existing commercial leases and marketing and leasing vacant commercial spaces.
2. Subject to City approval, Grantee will either i) use the Commercial Space as programming space for PSH Residents at the Premises and in accordance with PSH Program Rules, or ii) sublease the Commercial Space to a commercial tenant for commercial services and in accordance with Applicable Legal Requirements, which sublease will be subject to City's prior written approval.

V. Location and Time of Services

Grantee shall provide Property Management services at 1174 Folsom Street, San Francisco, CA.

Grantee shall provide Property Management services 24 hours a day, seven days a week on-site. Grantee shall implement policies and procedures pertaining to emergency backup and will train staff accordingly.

VI. Service Requirements

- A. Facilities: Grantee shall maintain clean, safe, and functional facilities in full compliance with requirements of the law and local standards.

1. Grantee shall notify HSH immediately in the event it is given notice of violations by the Department of Building Inspection (DBI), Department of Public Health (DPH), or another City agency, or State, Federal agency relating to the Property.
- B. Admission Policy: Grantee admission policies for services shall be in writing and available to the public. Except to the extent that the services are to be rendered to a specific population as described in the programs listed herein, such policies must include a provision that the served population is accepted for care without discrimination on the basis of race, color, creed, religion, sex, age, national origin, ancestry, sexual orientation, gender identification, disability, or HIV status.
- C. Housing First: Grantee services and operations shall align with the Core Components of Housing First. Housing First Principles means tenant screening and selection practices that promote accepting applicants regardless of their sobriety or use of substances, completion of treatment, or participation in services, and prohibit rejecting applicants on the basis of poor credit or financial history, poor or lack of rental history, criminal convictions unrelated to tenancy, or behaviors that indicate a lack of “housing readiness,” as further described in California Welfare and Institutions Code section 8255.
- D. Harm Reduction: Grantee shall integrate harm reduction principles into service delivery and agency structure as well as follow the [HSH Overdose Prevention Policy](#). Grantee staff who work directly with tenants will participate in annual trainings on harm reduction, overdose recognition and response.
- E. Language and Interpretation Services: Grantee shall ensure that translation and interpreter services are available, as needed. Grantee shall address the needs of and provide services to the served population who primarily speak language(s) other than English. Additional information on Language Access standards can be found on the HSH Providers Connect website: <https://sfgov1.sharepoint.com/sites/HOM-Ext-Providers>.
- F. Case Conferences: Grantee shall participate in individual case conferences and team coordination meetings with Support Services provider and/or HSH, as needed, to coordinate and collaborate regarding tenant’s housing stability.
- G. Grievance Procedure:
1. Grantee shall establish and maintain a written Grievance Procedure for tenants, which shall include, at minimum, the following elements:
 - a. The name or title of the person or persons authorized to make a determination regarding the grievance;
 - b. The opportunity for the aggrieved party to discuss the grievance with those who will be making the determination;
 - c. The amount of time required for each step, including when a tenant can expect a response; and

- d. In accordance with published HSH policies/procedures, the HSH Grievances email address (hshgrievances@sfgov.org) and mailing address for the tenant to contact after the tenant has exhausted Grantee's internal Grievance Procedure.
 2. Grantee shall, at program entry, review and provide a copy of this procedure, and any amendments, to each tenant and obtain a signed copy of the form from the tenant, which must be maintained in the tenant's file. Additionally, Grantee shall post the policy at all times in a location visible to tenants, and provide a copy of the procedure and any amendments to the assigned HSH Program Manager.
- H. Feedback, Complaint and Follow-up Policies:
Grantee shall provide means for the served population to provide input into the program, including the planning, design, and level of satisfaction with services. Feedback methods shall include:
1. A complaint process, including a written complaint policy informing the served population on how to report complaints; and
 2. A written annual survey to the served population to gather feedback, measure satisfaction, and assess the effectiveness of services and systems within the program. Grantee shall offer assistance to the served population with survey completion if the written format presents any problem.
- I. City Communications, Trainings and Meetings:
Grantee shall keep HSH informed of program operations and comply with HSH policies and training requirements, and participate in meetings including but not limited to:
1. Regular communication to HSH about the implementation of the program;
 2. Attendance at all meetings as required by HSH. This shall include quarterly HSH meetings; and
 3. Attendance at trainings (e.g., overdose prevention training), when required by HSH. Ensure all site-based or tenant-facing staff and subcontractors are onboarded and trained to perform the services in accordance with Housing First, Harm Reduction, and Trauma-Informed Principles.
- J. Coordination with Other Service Providers: Grantee shall establish written agreements with Support Services and other service providers that are part of the site team to formalize collaboration and roles and responsibilities.
- K. Critical Incidents: Grantee shall report critical incidents in accordance with HSH policies/procedures. Critical incidents shall be reported using the online [Critical Incident Report form](#) within 72 hours of the incident. In addition, critical incidents that involve life endangerment events or major service disruptions should be reported immediately to the HSH program manager. Please refer to the CIR Policy and procedures on the HSH Providers Connect website.
- L. Disaster and Emergency Response Plan: Grantee shall develop and maintain an Agency Disaster and Emergency Response Plan containing Site Specific Emergency

Response Plan(s) for each service site per HSH requirements. The Agency Disaster and Emergency Response Plan shall address disaster coordination between and among service sites. Grantee shall update the Agency/site(s) plan as needed and Grantee shall train all employees regarding the provisions of the plan for their Agency/site(s).

M. Good Neighbor Policies: Grantee shall maintain a good relationship with the neighborhood, in accordance with HSH’s Good Neighbor Policy, as may be amended from time to time, including:

1. Collaboration with neighbors and relevant city agencies to ensure that neighborhood concerns about the facility are heard and addressed;
2. Have a public phone line (and/or email) available for the community to report concerns to;
3. That Grantee management staff is available to respond to neighbors within two business days, if reasonable;
4. Having a representative of the Grantee attend all appropriate neighborhood meetings;
5. Participate in community/ neighborhood events in partnership with the local community benefit district as appropriate;
6. Leadership or designated staff attendance in regular meetings (monthly or as needed) with HSH staff and the community working group;
7. Staff training in de-escalation and crisis response, including protocols for contacting law enforcement, San Francisco Homeless Outreach Team, Healthy Streets Operation Center, Department of Public Works, and/or crisis response teams as needed; and
8. Offer a “good neighbor” onboarding for tenants as they move in that outlines community resources, community norms, and expectations.

N. Record Keeping and Files: Grantee shall update applicant referral status information in the ONE System in accordance with HSH policy and instruction.

1. Grantee shall maintain confidential tenant files on the served population, including signed lease agreement and addenda, notices or lease violations issued to the tenant, copies of payment plans or other agreements to support housing stability.
2. Grantee shall track receipt and completion of maintenance work orders.
3. Grantee shall maintain all eligibility and inspection documentation in the ONE System and maintain hard copy files with eligibility, including homelessness verification documents.

O. Data Standards:

1. Grantee shall ensure compliance with the Homeless Management Information System (HMIS) Participation Agreement and Continuous Data Quality Improvement (CDQI) Process¹, including but not limited to:

¹ HMIS Participation Agreement and Continuous Data Quality Improvement Process, available here: <https://hsh.sfgov.org/get-information/one-system/>

- a. Entering all household data within three working days (unless specifically requested to do so sooner);
 - b. Ensuring accurate dates for household enrollment, household exit, and household move in (if appropriate); and
 - c. Running monthly data quality reports and correcting any errors.
2. Records entered into the ONE system shall meet or exceed the ONE System CDQI Process standard.
 3. Grantee shall maintain updated unit vacancy information on a weekly basis in the data system designated by HSH (Offline Vacancy Tracker and/or ONE System) as required. Changes to vacancy reporting shall be communicated to Grantees in writing from HSH.
 4. Grantee shall enter data into the ONE System, but may be required to report certain measures or conduct interim reporting in CARBON, via secure email, or through uploads to a File Transfer Protocol (FTP) site. When required by HSH, Grantee shall submit the monthly, quarterly and/or annual metrics into the CARBON database. Changes to data collection or reporting requirements shall be communicated to Grantees via written notice at least one month prior to expected implementation.
 5. Any information shared between Grantee, HSH, and other providers about the served population shall be communicated in a secure manner, with appropriate release of consent forms and in compliance with 24 C.F.R. Part 578, Continuum of Care; 45 C.F.R. Parts 160 and 164, the Health Insurance Portability and Accountability Act (HIPAA) and federal and state data privacy and security guidelines.
 6. Failure to comply with data security, storage and access requirements may result in loss of access to the HMIS and other data systems.

VII. Service Objectives

Grantee shall achieve the following Service Objectives:

- A. Grantee shall ensure that each unit, upon turnover, is clean and/or repaired within 21 days, on average.
- B. Grantee shall ensure that new tenant move-ins occur within 30 days of referral.
- C. Grantee shall collect at least 90 percent of tenant portions of monthly rent from occupied units.
- D. Grantee shall maintain an occupancy rate of at least 93 percent.
- E. Grantee shall provide a preventative maintenance schedule to HSH for review and approval annually.
- F. Grantee shall provide a Property Management Plan within 90 days of agreement start date.

- G. Grantee shall submit all required asset management reports on a timely basis to HSH and external funders, if applicable.

VIII. Outcome Objectives

Grantee shall achieve the following Outcome Objectives:

- A. At least 90 percent of tenants will maintain their housing for a minimum of 12 months, move to other permanent housing, or be provided with more appropriate placements.
- B. At least 85 percent of tenant lease violations will be resolved without loss of housing to tenants.
- C. At least 65 percent of tenants shall complete an annual Tenant Satisfaction Survey and of those, 80 percent of tenants will be satisfied or very satisfied with Property Management services.

IX. Reporting Requirements

Grantee shall input data into systems required by HSH, such as the ONE System and CARBON.

- A. Grantee shall report vacancies to HSH in a timely fashion according to established procedures and process all tenant referrals in the pre-established timeframe. When required by HSH, Grantee shall enter tenant data in the ONE System.
- B. On a monthly basis, Grantee shall enter the required metrics, including any required templates to be uploaded, into the CARBON database by the 15th of the month following the month of service.
 - 1. The occupancy rate; and
 - 2. The number of new placements.
- C. On a quarterly basis, Grantee shall enter the required metrics, including any required templates to be uploaded, into the CARBON database by the 15th of the month following the end of each quarter:
 - 1. Average number of days to turn over units; and
 - 2. The number of tenants receiving lease violations, and the number and percentage of tenant lease violations that were resolved without loss of housing to tenants.
- D. On an annual basis, Grantee shall enter the required metrics, including any required templates to be uploaded, into the CARBON database by the 15th of the month following the end of each year:
 - 1. The number and percentage of tenants who maintained their housing for a minimum of 12 months, moved to other permanent housing, or were provided with more appropriate placements;
 - 2. The number and percentage of tenants who completed a written survey to provide feedback on the type and quality of program services;

3. The tenant satisfaction survey results; and
 4. The number of households showing housing instability that remained housed.
- E. Grantee shall participate in annual Eviction Survey reporting, per the 2015 City and County of San Francisco Tenant Eviction Annual Reports Ordinance (<https://sfbos.org/ftp/uploadedfiles/bdsupvrs/ordinances15/o0011-15.pdf>). Grantee shall provide information on evictions and eviction notices issued to households residing in City-funded housing to Support Services to enter into the ONE System. Grantee shall verify the accuracy of eviction reporting data in the ONE System quarterly, and shall review the annual eviction report prior to submission to HSH. Grantee shall adhere to all deadlines for submission as required by HSH.
- F. Grantee shall submit Project Descriptor data elements as described in the U.S. Department of Housing and Urban Development (HUD)'s latest HMIS Data Standards Manual (<https://files.hudexchange.info/resources/documents/HMIS-Data-Standards-Manual.pdf>) to HSH at the following intervals: 1) at the point of project setup; 2) when project information changes; 3) at least annually or as requested by HSH. Data is used for reporting mandated by HUD and California's Interagency Council on Homelessness, and to ensure HSH's ongoing accurate representation of program and inventory information for various reporting needs, including monitoring of occupancy and vacancy rates.
- G. Grantee shall provide information for an annual report on client enrollment in public benefits per the Administrative Code Article VI, Section 20.54.4(c) - Permanent Supportive Housing – Enrollment in Social Services https://codelibrary.amlegal.com/codes/san_francisco/latest/sf_admin/0-0-0-11877, as instructed by HSH.
- H. Grantee shall issue a quarterly report on program operations and outcomes, including benchmarks related to Good Neighbor policy compliance including response time to community calls/ texts, attendance at community meetings, community engagement events, etc.
- I. Grantee shall participate, as required by HSH, with City, State and/or Federal government evaluative studies designed to show the effectiveness of Grantee's services. Grantee agrees to meet the requirements of and participate in the evaluation program and management information systems of the City. The City agrees that any final reports generated through the evaluation program shall be made available to Grantee within 30 working days of receipt of any evaluation report and any Grantee response will become part of the official report.
- J. Grantee shall provide quarterly reports (income statement, balance sheet, cash flow statement, and general ledger detailed report), 15 days after the period ends.

- K. Grantee shall provide an annual financial report by July 15 of each calendar year with total annual revenue and expenses, including total collected rent revenue and total delinquent rent in a format acceptable to HSH.
- L. Grantee shall provide a copy of the annual external audit of Program Income, Annual Operating Subsidy, and Expenses within 90 days of the fiscal year end.
- M. Grantee shall provide Ad Hoc reports as required by HSH and respond to requests by HSH in a timely manner.

For assistance with reporting requirements or submission of reports, contact the assigned Contract and Program Managers.

X. Monitoring Activities

- A. Program Monitoring: Grantee is subject to program monitoring and/or audits, including, but not limited to review of the following: tenant files, administrative records, staff training documentation, postings, program policies and procedures, data submitted in program reports, site inspection of the physical asset, Disaster and Emergency Response Plan and training, personnel and activity reports, proper accounting for funds and other operational and administrative activities, and back-up documentation for reporting progress towards meeting service and outcome objectives.

Monitoring of program participation in the ONE system may include, but is not limited to, data quality reports from the ONE system, records of timeliness of data entry, and attendance records at required trainings and agency lead meetings.

- B. Fiscal and Compliance Monitoring: Grantee is subject to fiscal and compliance monitoring, which may include review of the Grantee's organizational budget, the general ledger, quarterly balance sheet, cost allocation procedures and plan, State and Federal tax forms, audited financial statement, fiscal policy manual, supporting documentation for selected invoices, cash receipts and disbursement journals. The compliance monitoring may include review of Personnel Manual, Emergency Operations Plan, Compliance with the Americans with Disabilities Act (ADA), subcontracts and Memoranda of Understanding (MOUs), and the current board roster and selected board minutes for compliance with the Sunshine Ordinance.

**Appendix A-2, Services to be Provided
by
Abode Property Management**

Predevelopment/ Preconstruction Scope of Work

South of Market Site (Premise Location Excluded): The anticipated scope of the permanent tenant improvements at the Premises is expected to include: conversion of the use of the second-floor commercial space to Permanent Supportive Housing (PSH) and build out of the second-floor commercial space to property management and support services offices as well as community areas for residents; and compliance with all applicable building code requirements.

In order to prepare for the anticipated rehabilitation scope of work, Grantee and its consultants and subcontractors will perform the following project management of the predevelopment/ preconstruction scope of work, in collaboration with the Department of Homelessness and Supportive Housing (HSH) within nine (9) months from the Effective Date, as may be extended by HSH, and as may be further specified by HSH and Grantee:

1. Entitlements, Design, Permitting: Grantee shall manage the process of property conversion of the use of the second-floor commercial space to PSH and build out of the second floor commercial space to property management and support services offices as well as community areas for residents; including working with and submitting materials (for approvals and close outs) to the appropriate City agencies, and participation in any required public hearings. Grantee shall oversee consultants in the development of permit sets and submission of permit documents to the Department of Building Inspection (DBI) and other permitting entities.
2. Budget Management and Administration: Grantee shall develop a proposed tenant improvement scope of work and budget for HSH approval. Grantee shall continue to update the approved proposed rehabilitation scope of work and budget assumptions with actual proposal and bid costs as they are received. Grantee and its subcontractors will make best efforts to manage the anticipated total rehabilitation budget (soft and hard cost) of \$1,000,000, which cannot be exceeded unless there is prior written approval by HSH. Grantee will report regularly to HSH regarding any necessary updates to the budget assumptions. Any unspent predevelopment/ preconstruction funds are to be returned to HSH.
3. Procurement: Grantee shall competitively procure and enter into any necessary professional services, such as project manager/ construction manager/ owner's representative, architect, engineer, general contractor, and related services contracts, to complete the predevelopment/ preconstruction scope of work and refine the anticipated rehabilitation scope of work and budget. Grantee will submit the final scope of work and budget to HSH for approval. Such procurement shall comply with all applicable laws.
4. Predevelopment/ Preconstruction Oversight and Contract Negotiation/ Administration: Grantee shall supervise all of the subcontractors (including project manager/ construction manager/ owner's representative, architect, general contractor) and their performance (including schedule management and meeting milestones) for the duration of the project, which may include but not limited to predevelopment/

preconstruction, cost estimating for the work at each phase, subcontractor bidding of construction documents, negotiation of construction contracts, and execution of the permitted scope of work. Grantee shall also manage such contracts including contract compliance and invoicing. HSH reserves the right to review subcontracts prior to execution.

5. Financing and Compliance: Where applicable, Grantee shall coordinate and assist in funding applications to state and federal funding sources (e.g., CHCD Homekey) and/or assist with any reporting and compliance obligations related to applicable local, city, state or federal funding related to the project.

6. Schedule and Milestones:
 - a. 11/15/24 Procure Project Manager
 - b. 12/15/24 Draft preliminary concept design and budget
 - c. 12/15/24 Procure Architect and design consultants
 - d. 02/01/25 Procure General Contractor (GC)
 - e. 06/01/25 Complete scope and drawings
 - f. 07/01/25 Update budget
 - g. 09/15/25 Pricing
 - h. 09/15/25 Receive permits
 - i. 09/15/25 Submit Guaranteed Maximum Price (GMP) to HSH

7. Temporary Relocation: If there are existing occupants that will be affected by the rehabilitation, Grantee shall work with property management, support services provider, architect, general construction contractor, and any other applicable consultants, to develop a phased on-site relocation plan or identify any time-limited off-site relocation, create a complete budget for the on-site and off-site relocation, ensure that the timing for phased rehabilitation and on-site relocation is incorporated into the general construction contractor's rehabilitation construction schedule and manage the temporary relocation process (including working with occupants to provide them with communication regarding relocation timing, moving assistance, cleaning of units to allow for on-site relocation, etc.) in compliance with all applicable laws. Any temporary relocation of residents must be reviewed and approved by HSH.

Grantee's budget for the predevelopment/ preconstruction scope of work is included in Property Management agreement, as may be amended by HSH, and cannot be exceeded unless there is prior written approval by HSH. It is anticipated that upon completion of the predevelopment/ preconstruction scope of work, HSH and Grantee will enter into a separate agreement to complete and fund the tenant improvement scope of work. Any unspent predevelopment/ preconstruction funds are to be returned to HSH.

	A	B	C	D
1	DEPARTMENT OF HOMELESSNESS AND SUPPORTIVE HOUSING			
2	APPENDIX B, BUDGET			
3	Document Date	11/1/2024		
4	Contract Term	Begin Date	End Date	Duration (Years)
5	Current Term	11/1/2024	6/30/2029	5
6	Amended Term	11/1/2024	6/30/2029	5
7	Program	Market Transitional Age Youth Permanent Supportive		
8				
9	Approved Subcontractors			
10	2B Living IPM Subcontractor (vendor not contracted yet)			
11	Security Agency as Subcontractor (vendor not contracted yet)			
12	SOMA West CBD			
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				

	A	B	C	D	G	J	M	P	S	AK
1	DEPARTMENT OF HOMELESSNESS AND SUPPORTIVE HOUSING									
2	APPENDIX B, BUDGET									
3	Document Date	11/1/2024								
4	Contract Term	Begin Date	End Date	Duration (Years)						
5	Current Term	11/1/2024	6/30/2029	5						
6	Amended Term	11/1/2024	6/30/2029	5						
7	Provider Name	Abode Property Management								
8	Program	South of Market Transitional Age Youth Permanent Supportive Housing								
9	FSP Contract ID#	1000033445								
10	Action (select)	New Agreement								
11	Effective Date	11/1/2024								
12	Budget Names	Property Management, General Fund, Start-Up, Reserves								
13		Current	New							
14	Term Budget	\$ -	\$ 11,814,387	20%						
15	Contingency	\$ -	\$ 2,362,877							
16	Not-To-Exceed	\$ -	\$ 14,177,264							
17										
18					Year 1	Year 2	Year 3	Year 4	Year 5	All Years
19					11/1/2024 - 6/30/2025	7/1/2025 - 6/30/2026	7/1/2026 - 6/30/2027	7/1/2027 - 6/30/2028	7/1/2028 - 6/30/2029	11/1/2024 - 6/30/2029
20					New	New	New	New	New	New
21	Expenditures									
22	Salaries & Benefits	\$ 285,233	\$ 545,628	\$ 561,997	\$ 578,857	\$ 596,222	\$ 2,567,936			
23	Operating Expense	\$ 493,051	\$ 595,178	\$ 612,283	\$ 629,901	\$ 648,049	\$ 2,978,462			
24	Subtotal	\$ 778,283	\$ 1,140,806	\$ 1,174,279	\$ 1,208,758	\$ 1,244,271	\$ 5,546,398			
25	Indirect Percentage									
26	Indirect Cost (Line 24 X Line 25)	\$ 116,742	\$ 171,121	\$ 176,142	\$ 181,314	\$ 186,641	\$ 831,960			
27	Other Expenses (Not subject to indirect %)	\$ 823,864	\$ 846,049	\$ 852,229	\$ 858,597	\$ 865,155	\$ 4,245,894			
28	Capital Expenditure	\$ 1,380,050	\$ 8,446	\$ 8,699	\$ 8,960	\$ 9,229	\$ 1,415,384			
30	Total Expenditures	\$ 3,098,940	\$ 2,166,422	\$ 2,211,350	\$ 2,257,629	\$ 2,305,296	\$ 12,039,635			
31										
32	HSH Revenues (select)*									
33	Prop C	\$ 1,124,254	\$ 1,675,422	\$ 1,720,350	\$ 1,766,629	\$ 1,814,296	\$ 8,100,951			
35	Prop C - One-time Start-Up	\$ 1,519,436	\$ -	\$ -	\$ -	\$ -	\$ 1,519,436			
36	General Fund - Ongoing	\$ 442,000	\$ 438,000	\$ 438,000	\$ 438,000	\$ 438,000	\$ 2,194,000			
42	Total HSH Revenues*	\$ 3,085,690	\$ 2,113,422	\$ 2,158,350	\$ 2,204,629	\$ 2,252,296	\$ 11,814,387			
43	Other Revenues (to offset Total Expenditures)									
44	Rental Income	\$ 13,250	\$ 53,000	\$ 53,000	\$ 53,000	\$ 53,000	\$ 225,250			
49	Total Other Revenues	\$ 13,250	\$ 53,000	\$ 53,000	\$ 53,000	\$ 53,000	\$ 225,250			
50										
51	Total HSH + Other Revenues	\$ 3,098,940	\$ 2,166,422	\$ 2,211,350	\$ 2,257,629	\$ 2,305,296	\$ 12,039,637			
52	Rev-Exp (Budget Match Check)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
54	Total Adjusted Salary FTE (All Budgets)	3.29	6.25	6.25	6.25	6.25	6.25			
55										
56	Prepared by	Juana Nunley								
57	Phone	669-245-4122								
58	Email	jnunley@abode.org								

*NOTE: HSH budgets typically project out revenue levels across multiple years, strictly for budget-planning

	A	B	C	D	G	J	M	P	S	AK
1	DEPARTMENT OF HOMELESSNESS AND SUPPORTIVE HOUSING									
2	APPENDIX B, BUDGET									
3	Document Date	11/1/2024								
4	Contract Term	Begin Date	End Date	Duration (Years)						
5	Current Term	11/1/2024	6/30/2029	5						
6	Amended Term	11/1/2024	6/30/2029	5						
7	Provider Name	Abode Property Management								
8	Program	South of Market Transitional Age Youth Permanent Supportive Housing								
9	F&P Contract ID#	1000033445								
10	Action (select)	New Agreement								
11	Effective Date	11/1/2024								
12	Budget Name	Property Management								
13		Current	New							
14	Term Budget	\$ -	\$ 6,965,951	20%						
15	Contingency	\$ -	\$ 2,362,877							
16	Not-To-Exceed	\$ -	\$ 14,177,264							
17										
18					Year 1	Year 2	Year 3	Year 4	Year 5	All Years
19					11/1/2024 - 6/30/2025	7/1/2025 - 6/30/2026	7/1/2026 - 6/30/2027	7/1/2027 - 6/30/2028	7/1/2028 - 6/30/2029	11/1/2024 - 6/30/2029
20					New	New	New	New	New	New
21	Expenditures									
22	Salaries & Benefits	\$ 220,723	\$ 545,628	\$ 561,997	\$ 578,857	\$ 596,222	\$ 2,503,426			
23	Operating Expense	\$ 451,051	\$ 595,178	\$ 612,283	\$ 629,901	\$ 648,049	\$ 2,936,462			
24	Subtotal	\$ 671,774	\$ 1,140,806	\$ 1,174,279	\$ 1,208,758	\$ 1,244,271	\$ 5,439,888			
25	Indirect Percentage	15.00%	15.00%	15.00%	15.00%	15.00%				
26	Indirect Cost (Line 24 X Line 25)	\$ 100,766	\$ 171,121	\$ 176,142	\$ 181,314	\$ 186,641	\$ 815,983			
27	Other Expenses (Not subject to indirect %)	\$ 133,864	\$ 181,049	\$ 187,229	\$ 193,597	\$ 200,155	\$ 895,894			
28	Capital Expenditure	\$ 4,100	\$ 8,446	\$ 8,699	\$ 8,960	\$ 9,229	\$ 39,434			
29	Admin Cost (HUD Agreements Only)						\$ -			
30	Total Expenditures	\$ 910,504	\$ 1,501,422	\$ 1,546,350	\$ 1,592,629	\$ 1,640,296	\$ 7,191,199			
31										
32	HSH Revenues (select)									
33	Prop C	\$ 897,254	\$ 1,448,422	\$ 1,493,350	\$ 1,539,629	\$ 1,587,296	\$ 6,965,951			
42	Total HSH Revenues	\$ 897,254.00	\$ 1,448,422.00	\$ 1,493,350.00	\$ 1,539,629.00	\$ 1,587,296.00	\$ 6,965,951.00			
43	Other Revenues (to offset Total Expenditures)									
44	Rental Income	\$ 13,250	\$ 53,000	\$ 53,000	\$ 53,000	\$ 53,000	\$ 225,250			
49	Total Other Revenues	\$ 13,250.00	\$ 53,000.00	\$ 53,000.00	\$ 53,000.00	\$ 53,000.00	\$ 225,250.00			
50										
51	Total HSH + Other Revenues	\$ 910,504.00	\$ 1,501,422.00	\$ 1,546,350.00	\$ 1,592,629.00	\$ 1,640,296.00	\$ 7,191,201.00			
52	Rev-Exp (Budget Match Check)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
53										
54										
55	Prepared by	Juana Nunley								
56	Phone	6690245-4122								
57	Email	Jnunley@abode.org								

	A	B	C	D	E	F	I	J	K	L	
1	DEPARTMENT OF HOMELESSNESS AND SUPPORTIVE HOUSING										
2	SALARY & BENEFIT DETAIL										
3	Document Date	11/1/2024									
4	Provider Name	Abode Property Management									
5	Program	South of Market Transitional Age Youth Permanent Supportive Housing									
6	FSP Contract ID#	1000033445									
7	Budget Name	Property Mana									
8		Year 1						Year 2			
9	POSITION TITLE	Agency Totals			For HSH Funded Program		11/1/2024 - 6/30/2025	Agency Totals		For HSH Prog	
10							New				
11		Annual Full Time Salary (for 1.00 FTE)	Position FTE	# of months	% FTE funded by this budget	Adjusted Budgeted FTE	Budgeted Salary	Annual Full Time Salary (for 1.00 FTE)	Position FTE	% FTE funded by this budget	
12	Property Manager	\$ 79,040	1.00	5	100%	0.42	\$ 32,933.33	\$ 81,411	1.00	100%	
13	Assistant Property Manager (Day Desk/Tues-Saturday)	\$ 62,400	1.00	5	100%	0.42	\$ 26,000.00	\$ 64,272	1.00	100%	
14	Weekday Desk Clerk / Swing	\$ 56,243	1.00	5	100%	0.42	\$ 23,434.67	\$ 57,930	1.00	100%	
15	Weekday Desk Clerk / Grave	\$ 56,243	1.00	5	100%	0.42	\$ 23,434.58	\$ 57,930	1.00	100%	
16	Maintenance Technician II	\$ 71,386	1.00	5	100%	0.42	\$ 29,744.00	\$ 73,527	1.00	100%	
17	Janitor / Mon-Fri	\$ 56,243	1.00	5	100%	0.42	\$ 23,434.67	\$ 57,930	1.00	100%	
18	Property Supervisor	\$ 103,736	0.25	5	100%	0.10	\$ 10,805.83	\$ 106,848	0.25	100%	
54		TOTAL SALARIES					\$ 169,787	TOTAL			
55		TOTAL FTE					2.60	TOTAL FTE			
56		FRINGE BENEFIT RATE					30.00%	FRINGE BE			
57		EMPLOYEE FRINGE BENEFITS					\$ 50,936	EMPLOYEE FRING			
58		TOTAL SALARIES & BENEFITS					\$ 220,723	TOTAL SALARIES			
59											
60											
61											

	A	M	P	Q	R	S	T	W	X
1	DEPARTMENT OF HOMELESSNESS AND SUPPORTIVE HOUSING								
2	SALARY & BENEFIT DETAIL								
3	Document Date								
4	Provider Name								
5	Program								
6	FSP Contract ID#								
7	Budget Name								
8				Year 3					
9	POSITION TITLE	Funded Program	7/1/2025 - 6/30/2026	Agency Totals		For HSH Funded Program		7/1/2026 - 6/30/2027	Agency Total
10			New				New		
11		Adjusted Budgeted FTE	Budgeted Salary	Annual Full Time Salary (for 1.00 FTE)	Position FTE	% FTE funded by this budget	Adjusted Budgeted FTE	Budgeted Salary	Annual Full Time Salary (for 1.00 FTE)
12	Property Manager	1.00	\$ 81,411	\$ 83,854	1.00	100%	1.00	\$ 83,854	\$ 86,369
13	Assistant Property Manager (Day Desk/Tues-Saturday)	1.00	\$ 64,272	\$ 66,200	1.00	100%	1.00	\$ 66,200	\$ 68,186
14	Weekday Desk Clerk / Swing	1.00	\$ 57,930	\$ 59,668	1.00	100%	1.00	\$ 59,668	\$ 61,458
15	Weekday Desk Clerk / Grave	1.00	\$ 57,930	\$ 59,668	1.00	100%	1.00	\$ 59,668	\$ 61,458
16	Maintenance Technician II	1.00	\$ 73,527	\$ 75,733	1.00	100%	1.00	\$ 75,733	\$ 78,005
17	Janitor / Mon-Fri	1.00	\$ 57,930	\$ 59,668	1.00	100%	1.00	\$ 59,668	\$ 61,458
18	Property Supervisor	0.25	\$ 26,712	\$ 110,054	0.25	100%	0.25	\$ 27,513	\$ 113,355
54		TOTAL SALARIES	\$ 419,714	TOTAL SALARIES			\$ 432,305		
55		6.25		TOTAL FTE		6.25			
56		NEFIT RATE	30.00%	FRINGE BENEFIT RATE		30.00%			
57		FRINGE BENEFITS	\$ 125,914	EMPLOYEE FRINGE BENEFITS		\$ 129,692			
58		TOTAL SALARIES & BENEFITS	\$ 545,628	TOTAL SALARIES & BENEFITS		\$ 561,997			
59									
60									
61									

	A	Y	Z	AA	AD	AE	AF	AG	AH	AK	
1	DEPARTMENT OF HOMELESSNESS AND SUPPORTIVE HOUSING										
2	SALARY & BENEFIT DETAIL										
3	Document Date										
4	Provider Name										
5	Program										
6	FSP Contract ID#										
7	Budget Name										
8	Year 4					Year 5					
9	POSITION TITLE	Totals	For HSH Funded Program		7/1/2027 - 6/30/2028	Agency Totals		For HSH Funded Program		7/1/2028 - 6/30/2029	
10					New					New	
11		Position FTE	% FTE funded by this budget	Adjusted Budgeted FTE	Budgeted Salary	Annual Full Time Salary (for 1.00 FTE)	Position FTE	% FTE funded by this budget	Adjusted Budgeted FTE	Budgeted Salary	
12	Property Manager	1.00	100%	1.00	\$ 86,369	\$ 88,960	1.00	100%	1.00	\$ 88,960	
13	Assistant Property Manager (Day Desk/Tues-Saturday)	1.00	100%	1.00	\$ 68,186	\$ 70,232	1.00	100%	1.00	\$ 70,232	
14	Weekday Desk Clerk / Swing	1.00	100%	1.00	\$ 61,458	\$ 63,302	1.00	100%	1.00	\$ 63,302	
15	Weekday Desk Clerk / Grave	1.00	100%	1.00	\$ 61,458	\$ 63,302	1.00	100%	1.00	\$ 63,302	
16	Maintenance Technician II	1.00	100%	1.00	\$ 78,005	\$ 80,345	1.00	100%	1.00	\$ 80,345	
17	Janitor / Mon-Fri	1.00	100%	1.00	\$ 61,458	\$ 63,302	1.00	100%	1.00	\$ 63,302	
18	Property Supervisor	0.25	100%	0.25	\$ 28,339	\$ 116,756	0.25	100%	0.25	\$ 29,189	
54	TOTAL SALARIES					\$ 445,274	TOTAL SALARIES				
55	TOTAL FTE					6.25	TOTAL FTE				
56	FRINGE BENEFIT RATE					30.00%	FRINGE BENEFIT RATE				
57	EMPLOYEE FRINGE BENEFITS					\$ 133,582	EMPLOYEE FRINGE BENEFITS				
58	TOTAL SALARIES & BENEFITS					\$ 578,857	TOTAL SALARIES & BENEFITS				
59											
60											
61											

	A	BW
1	DEPARTMENT OF HOMELESSNESS AND SUPPORTIVE HOUSING	
2	SALARY & BENEFIT DETAIL	
3	Document Date	
4	Provider Name	
5	Program	
6	FSP Contract ID#	
7	Budget Name	
8		All Years
9	POSITION TITLE	11/1/2024 - 6/30/2029
10		New
11		Budgeted Salary
12	Property Manager	\$ 373,527
13	Assistant Property Manager (Day Desk/Tues-Saturday)	\$ 294,890
14	Weekday Desk Clerk / Swing	\$ 265,794
15	Weekday Desk Clerk / Grave	\$ 265,793
16	Maintenance Technician II	\$ 337,354
17	Janitor / Mon-Fri	\$ 265,794
18	Property Supervisor	\$ 122,559
54		\$ 1,925,713
55		
56		
57		\$ 577,714
58		\$ 2,503,426
59		
60		
61		

	A	D	G	J	M	P	AH
1	DEPARTMENT OF HOMELESSNESS AND SUPPORTIVE HOUSING						
2	OPERATING DETAIL						
3	Document Date						
4	Provider Name						
5	Program						
6	FSP Contract ID#						
7	Budget Name						
8							
9		Year 1	Year 2	Year 3	Year 4	Year 5	All Years
10		11/1/2024 - 6/30/2025	7/1/2025 - 6/30/2026	7/1/2026 - 6/30/2027	7/1/2027 - 6/30/2028	7/1/2028 - 6/30/2029	11/1/2024 - 6/30/2029
11		New	New	New	New	New	New
12	<u>Operating Expenses</u>	Budgeted Expense	Budgeted Expense	Budgeted Expense	Budgeted Expense	Budgeted Expense	Budgeted Expense
14	Utilities(Elec, Water, Gas, Phone, Scavenger)	\$ 108,750	\$ 149,350	\$ 153,831	\$ 158,445	\$ 163,199	\$ 733,575
15	Office Supplies, Postage	\$ 2,250	\$ 4,635	\$ 4,774	\$ 4,917	\$ 5,065	\$ 21,641
16	Building Maintenance Supplies and Repair	\$ 19,133	\$ 29,046	\$ 29,917	\$ 30,815	\$ 31,739	\$ 140,651
17	Printing and Reproduction	\$ 250	\$ 515	\$ 530	\$ 546	\$ 563	\$ 2,404
18	Insurance	\$ 94,464	\$ 145,947	\$ 150,325	\$ 154,835	\$ 159,480	\$ 705,051
19	Staff Training	\$ 1,500	\$ 3,090	\$ 3,183	\$ 3,278	\$ 3,377	\$ 14,427
20	Staff Travel-(Local & Out of Town)	\$ 1,500	\$ 3,090	\$ 3,183	\$ 3,278	\$ 3,377	\$ 14,427
21	Rental of Equipment	\$ 2,700	\$ 3,708	\$ 3,819	\$ 3,934	\$ 4,052	\$ 18,213
22	Office Expense	\$ 62,820	\$ 23,910	\$ 24,627	\$ 25,366	\$ 26,127	\$ 162,851
23	Garbage & Trash Removal	\$ 24,375	\$ 33,475	\$ 34,479	\$ 35,514	\$ 36,579	\$ 164,422
25	Misc Taxes, Licenses & Permits	\$ 3,900	\$ 5,356	\$ 5,517	\$ 5,682	\$ 5,853	\$ 26,308
26	Legal Services	\$ 7,500	\$ 15,450	\$ 15,914	\$ 16,391	\$ 16,883	\$ 72,137
27	Building Maintenance Repair Contracts	\$ 87,237	\$ 119,808	\$ 123,402	\$ 127,104	\$ 130,917	\$ 588,467
28	Unit Turnover	\$ 10,500	\$ 21,630	\$ 22,279	\$ 22,947	\$ 23,636	\$ 100,992
29	Administrative Rent Free Unit - Night Manager	\$ 5,422	\$ 11,168	\$ 11,504	\$ 11,849	\$ 12,204	\$ 52,146
30							\$ -
54	<u>Subcontractors (First \$25k Only)</u>						\$ -
55	Contracted Security Desk Coverage (Weekend/Holidays)	\$ 18,750	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 118,750
56							\$ -
68	TOTAL OPERATING EXPENSES	\$ 451,051	\$ 595,178	\$ 612,283	\$ 629,901	\$ 648,049	\$ 2,936,462
69							
70	<u>Other Expenses (not subject to indirect cost %)</u>						
71	Bookkeeping/Accounting Services	\$ 1,328	\$ 1,995	\$ 2,055	\$ 2,116	\$ 2,180	\$ 9,674
72	Asset Management	\$ 17,048	\$ 26,145	\$ 26,929	\$ 27,737	\$ 28,569	\$ 126,428
73	Audit	\$ 6,336	\$ 9,785	\$ 10,079	\$ 10,381	\$ 10,692	\$ 47,273

	A	D	G	J	M	P	AH
1	DEPARTMENT OF HOMELESSNESS AND SUPPORTIVE HOUSING						
2	OPERATING DETAIL						
3	Document Date						
4	Provider Name						
5	Program						
6	FSP Contract ID#						
7	Budget Name						
8							
9		Year 1	Year 2	Year 3	Year 4	Year 5	All Years
74	Contracted Security Desk Coverage (Weekend/Holidays)	\$ 58,392	\$ 90,962	\$ 94,440	\$ 98,024	\$ 101,714	\$ 443,532
75	Real Estate Taxes	\$ 33,760	\$ 52,162	\$ 53,727	\$ 55,339	\$ 56,999	\$ 251,987
76	IPM Agreement 11/1-11/30/24	\$ 17,000	\$ -	\$ -	\$ -	\$ -	\$ 17,000
84	TOTAL OTHER EXPENSES	\$ 133,864	\$ 181,049	\$ 187,229	\$ 193,597	\$ 200,155	\$ 895,894
85							
86	Capital Expenses						
87	Furniture, Fixtures & Equipment - For Unit Turnovers	\$ 4,100	\$ 8,446	\$ 8,699	\$ 8,960	\$ 9,229	\$ 39,434
88							\$ -
95	TOTAL CAPITAL EXPENSES	\$ 4,100	\$ 8,446	\$ 8,699	\$ 8,960	\$ 9,229	\$ 39,434
96							
97	HSH #3						7/26/2022

BUDGET NARRATIVE

Fiscal Year

Property Management

FY24-25

<- Select from the drop-down list the fiscal year in which the proposed budget changes will first become effective

Fiscal Term Start 11/1/2024 Fiscal Term End 6/30/2025

	<u>Adjusted</u>		<u>Justification</u>	<u>Calculation</u>	<u>Employee Name</u>
	<u>Budgeted</u>	<u>Salary</u>			
Salaries & Benefits	FTE	Salary			
Property Manager	0.42	\$ 32,933	Operations Start Date: 1/1/25 Property Lead & Employee Supervisor,	\$6,587 @ 5 months	TBD
Assistant Property Manager (Day Desk/Tue	0.42	\$ 26,000	Ops Start Date 1/1/25: Manage day-to-day desk operations and sit at the front desk Tuesday-Saturday (Day), oversight of security contract and employee desk clerks, complete desk clerk schedule, fill desk clerk vacancies, coordinate maintenance technician work orders. Manage desk activities, creates schedules/calendars for desk shifts, reports issues to property management staff, as well as emergency responders as necessary. Schedule Tuesday-Saturday providing weekend oversight by management.	\$5200 @ 5 months	TBD
Weekday Desk Clerk / Swing	0.42	\$ 23,435	Ops Start Date 1/1/25: Manage desk activities, reports issues to property management staff, as well as emergency responders as necessary. Schedule M-F	\$4687 @ 5 months	TBD
Weekday Desk Clerk / Grave	0.42	\$ 23,435	Ops Start Date 1/1/25: Manage desk activities, reports issues to property management staff, as well as emergency responders as necessary. Schedule M-F	\$4687 @ 5 months	TBD
Maintenance Technician II	0.42	\$ 29,744	Ops Start Date 1/1/25: Maintenance lead, on-site residence to address emergency needs.	\$5949 @ 5 months	TBD
Janitor / Mon-Fri	0.42	\$ 23,435	Ops Start Date 1/1/25: Address housekeeping duties during week, weekend contract Sat/Sun	\$4687 @ 5 months	TBD
Property Supervisor	0.10	\$ 10,806	Ops Start Date 1/1/25: Supervision and management of property and property staff	\$2161 @ 5 months	Jasmine Carter
TOTAL	2.60	\$ 169,787			
<u>Employee Fringe Benefits</u>		<u>\$ 50,936</u>	<u>Includes FICA, SSUI, Workers Compensation and Medical calculated at 30% of total salaries.</u>		
Salaries & Benefits Total		\$ 220,723			

	<u>Budgeted</u>	<u>Justification</u>	<u>Calculation</u>
<u>Operating Expenses</u>	<u>Expense</u>		
Utilities(Elec, Water, Gas, Phone, Scavenger)	\$ 108,750	Elec \$70,560 (10k), Electricity NEM Charges \$113,904 (11k), Water \$60,984 (41k), Gas \$29,736 (36k), Sewer \$78,120 (47k) (Calculated Utilities from January 2024 \$5616 per month based on 20% occupied - \$702 PUPM = \$353,808)	\$12083 @ 9 months
Office Supplies, Postage	\$ 2,250	\$4500 annual Office Supplies	\$375 @ 5 months
Building Maintenance Supplies and Repair	\$ 19,133	Janitorial Supplies \$12000, Repair Materials \$15000, Annual Key Card Supplies \$500, Maint Uniforms \$1200,	\$2392 @ 8 months
Printing and Reproduction	\$ 250	\$500 annual printing	\$42 @ 5 months
Insurance	\$ 94,464	\$141,696 Annual Premium estimated from quote	\$11,808 @ 9 months
Staff Training	\$ 1,500	\$3000 Training	\$250 @ 5 months
Staff Travel-Local & Out of Town)	\$ 1,500	Travel PM \$2500, Maint \$500,	\$250 @ 5 months
Rental of Equipment	\$ 2,700	Ricoh \$300 monthly = \$3600	\$300 @ 8 months
Office Expense	\$ 62,820	YARDI \$6100, Luxer Annual Software Fee \$3300, \$4500 telephone/answering service, Internet Staff \$8000, Professional Fees (L/U Starts 12/1 - Residents in Bldg. 1/1/25); 2 Lease Up Specialists \$40/hr. from 12/1-2/28/25 @ 40 hours/week) - \$38400 (in first year only), Tenant Screening \$1890 (1st year), Equifax Screening \$630 (1st year)	\$7380 @ 8 months
Garbage & Trash Removal	\$ 24,375	Trash Removal \$30000, Misc. Junk Removal \$2500	\$2708 @ 8 months
Real Estate Taxes	\$ -	see below not subject to Indirect Costs	
Misc Taxes, Licenses & Permits	\$ 3,900	Building Permits and Misc. Taxes - \$5200	\$433 @ 8 months
Legal Services	\$ 7,500	\$5k ea. at 3 annually due to behavior/non-payment = \$15000	\$1250 @ 6 months
Building Maintenance Repair Contracts	\$ 87,237	Exterminating Contract \$5200, Janitorial Contract -Exterior Deep Cleaning (Qtrly) \$6000 & Trash Chute Cleaning (\$6000), Weekend Janitorial Contract - \$26,616 (\$2218 per month Sat/Sun 1 Janitor 8hrs/ea. day) Fire Protection \$2500, Repair Contracts \$27000, Elevator Contract (2) \$25000, decorating contract \$3000, Water Heater HVAC & Solar Contract \$15k,	\$9693 @ 8 months
Unit Turnover	\$ 10,500	Unit Turnover 6 per year @ \$3500 = \$21000 - basic turnover	\$1750 @ 6 months
Administrative Rent Free Unit - Night Manager	\$ 5,422	Night Manager \$903.60 @ 6 months - if no residents in the building	\$903.60 @ 6 months
Subcontractors (First \$25k Only)	\$ -		
Contracted Security Desk Coverage (Weekend/Holidays)	\$ 18,750	\$40/hour (Weekends - 48 hours @ 52 weeks) / \$59/hour (9 holidays at time 1/2)	\$2083 @ 8 months
TOTAL OPERATING EXPENSES	\$ 451,051		
Indirect Cost	15.0%	\$ 100,766	

<u>Other Expenses (not subject to indirect cost %)</u>	<u>Amount</u>	<u>Justification</u>	<u>Calculation</u>
Bookkeeping/Accounting Services	\$ 1,328	\$47.50 PUPY @ 42 units = \$1,995	\$166 @ 8 months

Asset Management	\$ 17,048	AM fee adjusted to 3% per HSH built in CODB. Based on MOHCD AM Fee policy: \$24280 (2023) Escalates 3% on the CY to \$25,008 (2024) @ 6months 7/1-12/31/24 = \$12504.20 / \$25,758.65 (2025) @ 6 months to 6/30/25 = \$12879.33 - Total \$25,383.53	\$2131 @ 8 months
Audit	\$ 6,336	Typically Required under HSH Lease to provide external audit report for project.	\$792 @ 8 months
Contracted Security Desk Coverage (Weekend/Holidays)	\$ 58,392	\$40/hour (Weekends - 48 hours @ 52 weeks) / \$59/hour (9 holidays at time 1/2)	\$7299 @ 8 months
Real Estate Taxes	\$ 33,760	\$50,643 estimated and prorated at 9 months	\$4220 @ 8 months
IPM Agreement 11/1-11/30/24	\$ 17,000	Average of \$17k between Jan and May 2024 for IPM agreement 6352 Professional Fees	\$17000 @ 1 month
TOTAL OTHER EXPENSES	\$ 133,864		

Capital Expenses	Amount	Justification	Calculation
Furniture, Fixtures & Equipment - For Unit Turnovers	\$ 4,100	\$8200 annually for up to 6 units of capital needs (FF&E replacement costs)	\$683 @ 6 months
TOTAL CAPITAL EXPENSES	\$ 4,100		

	A	B	C	D	G	AK
1	DEPARTMENT OF HOMELESSNESS AND SUPPORTIVE HOUSING					
2	APPENDIX B, BUDGET					
3	Document Date	11/1/2024				
4	Contract Term	Begin Date	End Date	Duration (Years)		
5	Current Term	11/1/2024	6/30/2025	1		
6	Amended Term	11/1/2024	6/30/2025	1		
7	Provider Name	Abode Property Management				
8	Program	South of Market Transitional Age Youth Permanent Supportive Housing				
9	FSP Contract ID#	1000033445				
10	Action (select)	New Agreement				
11	Effective Date	11/1/2024				
12	Budget Name	Start Up				
13		Current	New			
14	Term Budget	\$ -	\$ 1,519,436	20%		
15	Contingency	\$ -	\$ 2,362,877			
16	Not-To-Exceed	\$ -	\$ 14,177,264			
17						
18				Year 1	All Years	
19				11/1/2024 - 6/30/2025	11/1/2024 - 6/30/2025	
20				New	New	
21	Expenditures					
22	Salaries & Benefits		\$ 64,510	\$ 64,510		
23	Operating Expense		\$ 42,000	\$ 42,000		
24	Subtotal		\$ 106,510	\$ 106,510		
25	Indirect Percentage		15.00%			
26	Indirect Cost (Line 24 X Line 25)		\$ 15,976	\$ 15,976		
27	Other Expenses (Not subject to indirect %)		\$ 21,000	\$ 21,000		
28	Capital Expenditure		\$ 1,375,950	\$ 1,375,950		
30	Total Expenditures		\$ 1,519,436	\$ 1,519,436		
31						
32	HSH Revenues (select)					
35	Prop C - One-time Start-Up		\$ 1,519,436	\$ 1,519,436		
42	Total HSH Revenues		\$ 1,519,436	\$ 1,519,436		
43	Other Revenues (to offset Total Expenditures)					
44	Rental Income		\$ -	\$ -		
49	Total Other Revenues		\$ -	\$ -		
50						
51	Total HSH + Other Revenues		\$ 1,519,436	\$ 1,519,436		
52	Rev-Exp (Budget Match Check)		\$ -	\$ -		
53						
54						
55	Prepared by	Juana Nunley				
56	Phone	6690245-4122				
57	Email	Jnunley@abode.org				

	A	B	C	D	E	F	I	BW
1	DEPARTMENT OF HOMELESSNESS AND SUPPORTIVE HOUSING							
2	SALARY & BENEFIT DETAIL							
3	Document Date	11/1/2024						
4	Provider Name	Abode Property Management						
5	Program	South of Market Transitional Age Youth Permanent Supportive Housing						
6	FSP Contract ID#	1000033445						
7	Budget Name	Start Up						
8		Year 1						All Years
9	POSITION TITLE	Agency Totals			For HSH Funded Program		11/1/2024 - 6/30/2025	11/1/2024 - 6/30/2025
10						New	New	
11		Annual Full Time Salary (for 1.00 FTE)	Position FTE	# of months	% FTE funded by this budget	Adjusted Budgeted FTE	Budgeted Salary	Budgeted Salary
12	Property Manager	\$ 79,040	1.00	3.00	1.00	0.25	\$ 19,760	\$ 19,760
13	Assistant Property Manager (Day Desk/Tues-Saturday)	\$ 62,400	1.00	2.00	1.00	0.17	\$ 10,400	\$ 10,400
14	Weekday Desk Clerk / Swing	\$ 56,243	1.00	0.50	1.00	0.04	\$ 2,343	\$ 2,343
15	Weekday Desk Clerk / Grave	\$ 56,243	1.00	0.50	1.00	0.04	\$ 2,343	\$ 2,343
16	Maintenance Technician II	\$ 71,386	1.00	1.00	1.00	0.08	\$ 5,949	\$ 5,949
17	Janitor / Mon-Fri	\$ 56,243	1.00	0.50	1.00	0.04	\$ 2,343	\$ 2,343
18	Property Supervisor	\$ 103,736	0.25	3.00	1.00	0.06	\$ 6,484	\$ 6,484
55		TOTAL SALARIES					\$ 49,623	\$ 49,623
56		TOTAL FTE				0.69		
57		FRINGE BENEFIT RATE					30.00%	
58		EMPLOYEE FRINGE BENEFITS					\$ 14,887	\$ 14,887
59		TOTAL SALARIES & BENEFITS					\$ 64,510	\$ 64,510
60								
61								
62								

	A	D	AH
1	DEPARTMENT OF HOMELESSNESS AND SUPPORTIVE HOUSING		
2	OPERATING DETAIL		
3	Document Date		
4	Provider Name		
5	Program		
6	F\$P Contract ID#		
7	Budget Name		
8			
9		Year 1	All Years
10		11/1/2024 - 6/30/2025	11/1/2024 - 6/30/2025
11		New	New
12	<u>Operating Expenses</u>	Budgeted Expense	Budgeted Expense
15	Office Supplies, Postage	\$ 5,000	\$ 5,000
16	Building Maintenance Supplies and Repair	\$ 21,000	\$ 21,000
17	Printing and Reproduction	\$ 1,000	\$ 1,000
19	Staff Training	\$ 6,000	\$ 6,000
20	Staff Travel-(Local & Out of Town)	\$ 5,000	\$ 5,000
21	Rental of Equipment	\$ 500	\$ 500
26	Legal Services	\$ 3,500	\$ 3,500
43			\$ -
54	<u>Subcontractors (First \$25k Only)</u>		\$ -
55			\$ -
68	TOTAL OPERATING EXPENSES	\$ 42,000	\$ 42,000
69			
70	<u>Other Expenses (not subject to indirect cost %)</u>		
71	Welcome Kits	\$ 21,000	\$ 21,000
84	TOTAL OTHER EXPENSES	\$ 21,000	\$ 21,000

	A	D	AH
1	DEPARTMENT OF HOMELESSNESS AND SUPPORTIVE HOUSING		
2	OPERATING DETAIL		
3	Document Date		
4	Provider Name		
5	Program		
6	F\$P Contract ID#		
7	Budget Name		
8			
9		Year 1	All Years
85			
86	<u>Capital Expenses</u>		
87	Cameras Installation, Front Desk Installation	\$ 124,200	\$ 124,200
88	Lease Up Office Temporary Setup - 2nd Floor	\$ 76,800	\$ 76,800
89	Lease Up Office Temporary Setup - 1st Floor	\$ 300,000	\$ 300,000
90	Office Furnishings & PM Staff Equipment	\$ 17,200	\$ 17,200
91	Furniture, Fixtures and Equipment for Unit Turnovers & Appliances	\$ 155,000	\$ 155,000
92	IT Setup	\$ 40,000	\$ 40,000
93	Pre Dev/ Pre Con	\$ 300,000	\$ 300,000
94	Luxer One Package System & Door Mechanism Changes	\$ 56,000	\$ 56,000
95	Project Management Fee	\$ 81,750	\$ 81,750
96	ADA Units	\$ 150,000	\$ 150,000
97	Guard Rail Repair & Balcony Fencing Replacement	\$ 75,000	\$ 75,000
98			
99	TOTAL CAPITAL EXPENSES	\$ 1,375,950	\$ 1,375,950
100			
101	HSH #3		7/26/2022

BUDGET NARRATIVE

Fiscal Year

Fiscal Term Start 11/1/2024 Fiscal Term End 6/30/2025

Start Up FY24-25 <- Select from the drop-down list the fiscal year in which the proposed budget changes will first become effective

Salaries & Benefits	Adjusted		Justification	Calculation	Employee Name
	Budgeted FTE	Budgeted Salary			
Property Manager	0.25	\$ 19,760	Property Manager in start up at 3 months 10/1/24-12/31/24	\$6586.67 @ 3 months	TBD
Assistant Property Manager (Day Desk/Tues-Saturday)	0.17	\$ 10,400	Asst Property Manager as the day desk to setup front desk and support manager in start up at 2 months 11/1/24-12/31/24	\$5200 @ 2 months	TBD
Weekday Desk Clerk / Swing	0.04	\$ 2,343	Training in start up at 2 weeks 12/15/24-12/31/24	\$2343.46 @ 5 months	TBD
Weekday Desk Clerk / Grave	0.04	\$ 2,343	Training in start up at 2 weeks 12/15/24-12/31/24	\$2343.46 @ 5 months	TBD
Maintenance Technician II	0.08	\$ 5,949	Maintenance in start up at 1 month 12/1/24-12/31/24	\$5948.83 @ 1 month	TBD
Janitor / Mon-Fri	0.04	\$ 2,343	Training in start up at 2 weeks 12/15/24-12/31/24	\$2343.46 @ 5 months	TBD
Property Supervisor	0.06	\$ 6,484	Property Supervisor in start up at 3 months 10/1/24-12/31/24	\$6586.67 @ 3 months	Jasmine Carter
TOTAL	0.69	\$ 49,623			
Employee Fringe Benefits	Includes FICA, SSUI, Workers Compensation and Medical calculated at 30% of total salaries.				
		\$ 14,887			
Salaries & Benefits Total		\$ 64,510			

Operating Expenses	Budgeted Expense	Justification	Calculation
Office Supplies, Postage	\$ 5,000	\$5000 Office Supplies	\$1667 @ 3 months
Building Maintenance Supplies and Repair	\$ 21,000	\$2000 Bed Bug Oven, Start-up Maint Tools & Equipment and Janitorial Supplies \$15k, \$1000 Key Card Supplies	\$7000 @ 3 months
Printing and Reproduction	\$ 1,000	Printing \$1000	\$333 @ 3 months
Staff Training	\$ 6,000	Staff Training \$6000 - population specific training and materials with CSH & Consultant, health and safety, harm-reduction, LGBT& Transgender Identity and Sensitivity Training for staff.	\$2000 @ 3 months
Staff Travel-(Local & Out of Town)	\$ 5,000	Staff Travel \$5000 - on the ground launch support to staff	\$1667 @ 3 months
Rental of Equipment	\$ 500	\$500 Ricoh Initial setup	\$167 @ 3 months
Legal Services	\$ 3,500	Lease agreement , legal collateral material, vital documents translated	\$1167 @ 3 months
TOTAL OPERATING EXPENSES	\$ 42,000		
Indirect Cost	15.0%	\$ 15,976	

Other Expenses (not subject to indirect cost %)	Amount	Justification	Calculation
Welcome Kits	\$ 21,000	Initial Welcome Kits \$21k coordinated with Lyric	\$7000 @ 3 months
TOTAL OTHER EXPENSES	\$ 21,000		

Capital Expenses	Amount	Justification	Calculation
Lease Up Office Temporary Setup - 2nd Floor	\$ 76,800	Set up a temporary office space with cubicles on the 2nd floor during construction (12 temporary cubicle workspaces (\$30k) and 2 temporary private meeting rooms (\$6,800)). \$30k for temp network wiring and electrical connections for temporary Lyric and APM office needs to provide internet and power to the cubicles during construction of permanent offices for 3 of 7 months. Does not include chairs or file cabinets.	\$22,267 @ 3 months
Lease Up Office Temporary Setup - 1st Floor	\$ 300,000	Set up a temporary office space with cubicles and construct a restroom on the 1st floor that will used during construction of the permanent TI work on the 2nd floor. Move temporary FF&E and wiring from 2nd floor to 1st floor. Does not include chairs or file cabinets.	\$75,000 @ 4 months
Office Furnishings & PM Staff Equipment	\$ 17,200	Permanent for Abode only; purchase the 2nd floor office furnishings (i.e., file cabinets, chairs, tables, etc.) for the offices/conference rooms only; equipment for front desk computer/monitor, PM, APM, Maint Tech, and 1 Kiosk for janitors - 7.25 FTE of technology equipment (\$17,200)	\$12,733 @ 3 months
Furniture, Fixtures and Equipment for Unit Turnovers & A	\$ 155,000	1/2 of the units needs beds, tables, chairs, mattresses, light turnover at 20 units (\$150k first year only); \$5k to replace mini frig to combo frig (10 only)	\$51,667 @ 3 months
Cameras Installation, Front Desk Installation	\$ 124,200	Installation of the camera system for property oversight and security (\$120k); front desk installation (\$4,200) that is currently not setup	\$41,400 @ 3 months
IT Setup	\$ 40,000	IT setup: permanent work needed to install equipment in the IDF rooms to provide wireless connectivity and server racks for the bldg (i.e. IT Data rack, network switch, wiring of Abode access (\$40k)). Note: resident access points removed @\$20k due to City fiber program to be established by HSH per 7/29/24 meeting; all IT setup is permanent work affixed to the property	\$13,333 @ 3 months
Luxor One Package System & Door Mechanism Changes	\$ 56,000	Luxor package and delivery systems (i.e. hardware, installation, shipping, software) (\$20k); door lock mechanism changes (\$36,000) from hotel to residential environment	\$18,667 @ 3 months
ADA Units	\$ 150,000	Convert 3 units to be ADA compliant (\$50,000 unit x 3 units)	\$50,000 @ 3 months
Guard Rail Repair & Balcony Fencing Replacement	\$ 75,000	Top floor - extended plexiglass screening and guardrail repairs to keep skyline views (\$50k); balconies - add bracketing, with full replacement of 7ft fabricated fencing for 6 balconies @ \$25k	\$25,000 @ 3 months
Project Management Fee	\$ 81,750	Agreement not to exceed \$81,750 for project management of camera installation and front desk installation (\$124,200); IT Setup (\$40,000); Luxor package system and door mechanism changes (\$56,000); ADA units (\$150,000); guard rail repair & balcony fencing replacement (\$75,000); lease up office temporary setup - 1st floor (\$300,000).	\$27,250 @ 3 months
Pre Dev/ Pre Con	\$ 300,000	Reference Appx A-1 for scope of Pre Dev/Pre Con work	\$100,000 @ 3 months
TOTAL CAPITAL EXPENSES	\$ 1,375,950		

	A	B	C	D	G	J	M	P	S	AK
1	DEPARTMENT OF HOMELESSNESS AND SUPPORTIVE HOUSING									
2	APPENDIX B, BUDGET									
3	Document Date	11/1/2024								
4	Contract Term	Begin Date	End Date	Duration (Years)						
5	Current Term	11/1/2024	6/30/2029	5						
6	Amended Term	11/1/2024	6/30/2029	5						
7	Provider Name	Abode Property Management								
8	Program	South of Market Transitional Age Youth Permanent Supportive Housing								
9	FSP Contract ID#	1000033445								
10	Action (select)	New Agreement								
11	Effective Date	11/1/2024								
12	Budget Name	General Fund								
13		Current	New							
14	Term Budget	\$ -	\$ 2,194,000	20%						
15	Contingency	\$ -	\$ 2,362,877							
16	Not-To-Exceed	\$ -	\$ 14,177,264							
17										
18		Year 1	Year 2	Year 3	Year 4	Year 5	All Years			
19		11/1/2024 - 6/30/2025	7/1/2025 - 6/30/2026	7/1/2026 - 6/30/2027	7/1/2027 - 6/30/2028	7/1/2028 - 6/30/2029	11/1/2024 - 6/30/2029			
20		New	New	New	New	New	New			
21	Expenditures									
27	Other Expenses (Not subject to indirect %)	\$ 442,000	\$ 438,000	\$ 438,000	\$ 438,000	\$ 438,000	\$ 2,194,000			
28	Capital Expenditure	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
29	Admin Cost (HUD Agreements Only)						\$ -			
30	Total Expenditures	\$ 442,000	\$ 438,000	\$ 438,000	\$ 438,000	\$ 438,000	\$ 2,194,000			
31										
32	HSH Revenues (select)									
36	General Fund	\$ 442,000	\$ 438,000	\$ 438,000	\$ 438,000	\$ 438,000	\$ 2,194,000			
42	Total HSH Revenues	\$ 442,000	\$ 438,000	\$ 438,000	\$ 438,000	\$ 438,000	\$ 2,194,000			
43	Other Revenues (to offset Total Expenditures)									
44	Rental Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
49	Total Other Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
50										
51	Total HSH + Other Revenues	\$ 442,000	\$ 438,000	\$ 438,000	\$ 438,000	\$ 438,000	\$ 2,194,000			
52	Rev-Exp (Budget Match Check)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
54										
55	Prepared by	Juana Nunley								
56	Phone	6690245-4122								
57	Email	Jnunley@abode.org								

	A	D	G	J	M	P	AH
1	DEPARTMENT OF HOMELESSNESS AND SUPPORTIVE HOUSING						
2	OPERATING DETAIL						
3	Document Date						
4	Provider Name						
5	Program						
6	FSP Contract ID#						
7	Budget Name						
8							
9		Year 1	Year 2	Year 3	Year 4	Year 5	All Years
10		11/1/2024 - 6/30/2025	7/1/2025 - 6/30/2026	7/1/2026 - 6/30/2027	7/1/2027 - 6/30/2028	7/1/2028 - 6/30/2029	11/1/2024 - 6/30/2029
11		New	New	New	New	New	New
12	<u>Operating Expenses</u>	Budgeted Expense	Budgeted Expense	Budgeted Expense	Budgeted Expense	Budgeted Expense	Budgeted Expense
69							
70	<u>Other Expenses (not subject to indirect cost %)</u>						
71	SOMA Ambassadors	\$ 292,000	\$ 438,000	\$ 438,000	\$ 438,000	\$ 438,000	\$ 2,044,000
72	Security	\$ 150,000	\$ -	\$ -	\$ -	\$ -	\$ 150,000
84	TOTAL OTHER EXPENSES	\$ 442,000	\$ 438,000	\$ 438,000	\$ 438,000	\$ 438,000	\$ 2,194,000
85							
96							
97	HSH #3						7/26/2022

BUDGET NARRATIVE

Fiscal Year

General Fund

FY24-25

<- Select from the drop-down list the fiscal year in which the proposed budget changes will first become effective

Fiscal Term Start Fiscal Term End
11/1/2024 6/30/2025

<u>Other Expenses (not subject to indirect cost %)</u>	<u>Amount</u>	<u>Justification</u>	<u>Calculation</u>
SOMA Ambassadors	\$ 292,000	SOMA West CBD security prorated for Year 1. \$36,500/mo	Provided by APM
Security	\$ 150,000	Security costs for Year 1.	Provided by APM
TOTAL OTHER EXPENSES	\$ 442,000		

	A	B	C	D	G	J	M	P	S	AK
1	DEPARTMENT OF HOMELESSNESS AND SUPPORTIVE HOUSING									
2	APPENDIX B, BUDGET									
3	Document Date	11/1/2024								
4	Contract Term	Begin Date	End Date	Duration (Years)						
5	Current Term	11/1/2024	6/30/2029	5						
6	Amended Term	11/1/2024	6/30/2029	5						
7	Provider Name	Abode Property Management								
8	Program	South of Market Transitional Age Youth Permanent Supportive Housing								
9	FSP Contract ID#	1000033445								
10	Action (select)	New Agreement								
11	Effective Date	11/1/2024								
12	Budget Name	Reserves								
13		Current	New							
14	Term Budget	\$ -	\$ 1,135,000	20%						
15	Contingency	\$ -	\$ 2,362,877							
16	Not-To-Exceed	\$ -	\$ 14,177,264							
17										
18					Year 1	Year 2	Year 3	Year 4	Year 5	All Years
19					11/1/2024 - 6/30/2025	7/1/2025 - 6/30/2026	7/1/2026 - 6/30/2027	7/1/2027 - 6/30/2028	7/1/2028 - 6/30/2029	11/1/2024 - 6/30/2029
20					New	New	New	New	New	New
21	Expenditures									
27	Other Expenses (Not subject to indirect %)	\$ 227,000	\$ 227,000		\$ 227,000	\$ 227,000	\$ 227,000	\$ 227,000	\$ 227,000	\$ 1,135,000
28	Capital Expenditure	\$ -	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
29	Admin Cost (HUD Agreements Only)									\$ -
30	Total Expenditures	\$ 227,000	\$ 227,000		\$ 227,000	\$ 227,000	\$ 227,000	\$ 227,000	\$ 227,000	\$ 1,135,000
31										
32	HSH Revenues (select)									
33	Prop C	\$ 227,000	\$ 227,000		\$ 227,000	\$ 227,000	\$ 227,000	\$ 227,000	\$ 227,000	\$ 1,135,000
42	Total HSH Revenues	\$ 227,000	\$ 227,000		\$ 227,000	\$ 227,000	\$ 227,000	\$ 227,000	\$ 227,000	\$ 1,135,000
43	Other Revenues (to offset Total Expenditures)									
44	Rental Income	\$ -	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
49	Total Other Revenues	\$ -	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
50										
51	Total HSH + Other Revenues	\$ 227,000	\$ 227,000		\$ 227,000	\$ 227,000	\$ 227,000	\$ 227,000	\$ 227,000	\$ 1,135,000
52	Rev-Exp (Budget Match Check)	\$ -	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
54										
55	Prepared by	Juana Nunley								
56	Phone	6690245-4122								
57	Email	Jnunley@abode.org								

	A	D	G	J	M	P	AH
1	DEPARTMENT OF HOMELESSNESS AND SUPPORTIVE HOUSING						
2	OPERATING DETAIL						
3	Document Date						
4	Provider Name						
5	Program						
6	F\$P Contract ID#						
7	Budget Name						
8							
9		Year 1	Year 2	Year 3	Year 4	Year 5	All Years
10		11/1/2024 - 6/30/2025	7/1/2025 - 6/30/2026	7/1/2026 - 6/30/2027	7/1/2027 - 6/30/2028	7/1/2028 - 6/30/2029	11/1/2024 - 6/30/2029
11		New	New	New	New	New	New
12	<u>Operating Expenses</u>	Budgeted Expense	Budgeted Expense	Budgeted Expense	Budgeted Expense	Budgeted Expense	Budgeted Expense
69							
70	<u>Other Expenses (not subject to indirect cost %)</u>						
71	Operating Reserve	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 1,000,000
72	Replacement Reserve	\$ 27,000	\$ 27,000	\$ 27,000	\$ 27,000	\$ 27,000	\$ 135,000
83							
84	TOTAL OTHER EXPENSES	\$ 227,000	\$ 227,000	\$ 227,000	\$ 227,000	\$ 227,000	\$ 1,135,000
85							
96							
97	HSH #3						7/26/2022

BUDGET NARRATIVE

Fiscal Year

Reserves

FY24-25

<- Select from the drop-down list the fiscal year in which the proposed budget changes will first become effective

Fiscal Term Start Fiscal Term End
11/1/2024 6/30/2025

<u>Other Expenses (not subject to indirect cost %)</u>	<u>Amount</u>	<u>Justification</u>	<u>Calculation</u>
Operating Reserve	\$ 200,000	Per Negotiations with HSH leadership and APM	See Justification
Replacement Reserve	\$ 27,000	Per Negotiations with HSH leadership and APM	See Justification
	\$ -		
TOTAL OTHER EXPENSES	\$ 227,000		

Appendix C, Method of Payment

I. Funding Approval Process

Except as otherwise agreed to by City and Grantee, the following describes the submittal and approval process for payment of Annual Operating Subsidy by City to Grantee:

- A. Annual Operating Budget, Property Management Plan, Preventative Maintenance Plan Submission: No later than January 1 of each City fiscal year of the Term (“Operating Year”), Grantee will prepare and submit to the City a revised Annual Operating Budget covering the upcoming City fiscal year, in the same format as Appendix B, Budget(s) attached hereto, for City’s approval. The Annual Operating Budget will be based on the anticipated Project Income and a detailed estimate of all anticipated Project Expenses, as well as any other requested information by City, and Annual Operating Subsidy. The Annual Operating Budget must include the anticipated costs of general maintenance and repair as described in Section 5.10 of the Ground Lease Agreement. In conjunction with its submission of the Annual Operating Budget, Grantee will also submit an annual property management plan (“Property Management Plan”) and an annual preventative maintenance plan and schedule (“Preventative Maintenance Plan”) for City approval.
- B. City Review and Approval of Annual Operating Budget, Property Management Plan, Preventative Maintenance Plan: No later than July 1 of each Operating Year, City will review and if necessary, revise the proposed Annual Operating Budget, Property Management Plan, and Preventative Maintenance Plan. City expects to review and provide initial feedback to Grantee regarding the proposed Annual Operating Budget, Property Management Plan, and Preventative Maintenance Plan by March 1 of each Operating Year. City has the right to audit any and all financial records of Grantee relating to Project Income, Project Expenses, Annual Operating Budget, Property Management Plan, Preventative Maintenance Plan, or any other Grantee files relating to the Premises at any time. City approval of the Annual Operating Budget will remain subject to the budget and fiscal provisions of the City's Charter and sufficient appropriated authority for the applicable fiscal year in the sole discretion of the Mayor and the Board of Supervisors, in accordance with the Agreement. City may adjust the Annual Operating Budget based on the end of Operating Year reconciliation, as described in Appendix B, Budget(s).
- C. Grantee Payment of Project Expenses: Grantee will timely pay and then bill City for actual monthly Project Expenses in conformity with the City-approved Annual Operating Budget and as described below. Grantee may adjust budget line items in the City-approved Annual Operating Budget by no more than 10% to pay for actual Project Expenses; any adjustments to the budget line items in the City-approved Annual Operating Budget that exceed 10% will require the prior approval of City in CARBON. Notwithstanding the foregoing, under no circumstances will City payment to Grantee exceed the total not-to-exceed amount set forth in the Agreement. Any City payments to Grantee will be paid to Grantee’s Project Operating Account.

II. Reimbursement for Actual Costs: In accordance with Article 5 Use and Disbursement of Grant Funds of the Grant Agreement, payments shall be made for actual costs incurred, paid by the Grantee, and reported for each month within the budget term (e.g., Fiscal Year or Project Term). Under no circumstances shall payment exceed the amount set forth in the Appendix B, Budget(s) of the Agreement.

III. General Instructions for Invoice Submittal: Grantee invoices shall include actual detailed expenditures for eligible activities incurred during the month and paid by the Grantee.

- A. Grantee shall submit all invoices and any related required documentation in the format specified below, after costs have been incurred and paid by the Grantee, and within 15 days after the month the service has occurred.
- B. Expenditures must be paid by the Grantee prior to invoicing HSH for grant expenditures.
- C. Grantee shall ensure all final invoices are submitted 15 days after the close of the fiscal year or project period. HSH does not allow supplemental invoicing for expenses that have not been billed after the close of the fiscal year or project period.
- D. Failure to consistently invoice within the required timelines shall result in a Corrective Action Plan issued by HSH which may impact Grantee’s ability to apply for future funding or requests for additional funding.

Billing Month/Date	Service Begin Date	Service End Date
August 15	July 1	July 31
September 15	August 1	August 31
October 15	September 1	September 30
November 15	October 1	October 31
December 15	November 1	November 30
January 15	December 1	December 31
February 15	January 1	January 31
March 15	February 1	February 28/29
April 15	March 1	March 31
May 15	April 1	April 30
June 15	May 1	May 31
July 15	June 1	June 30

E. Invoicing System:

- 1. Grantee shall submit invoices, and all required supporting documentation demonstrating evidence of the expenditure through the Department of Homelessness and Supportive Housing (HSH)’s web-based Contracts Administration, Reporting, and Billing Online (CARBON) System at: <https://contracts.sfhsa.org>.

2. Grantee's Executive Director or Chief Financial Officer shall submit a letter of authorization designating specific users, including their names, emails and phone numbers, who will have access to CARBON to electronically submit and sign for invoices, submit program reports, and view other information that is in CARBON.
3. Grantee acknowledges that submittal of the invoice by Grantee's designated authorized personnel with proper login credentials constitutes Grantee's electronic signature and certification of the invoice.
4. Grantee's authorized personnel with CARBON login credentials shall not share or internally reassign logins.
5. Grantee's Executive Director or Chief Financial Officer shall immediately notify the assigned HSH Contract Manager, as listed in CARBON, via email or letter regarding any need for the restriction or termination of previously authorized CARBON users and include the name(s), email(s) and phone number(s) of those previously authorized CARBON users.
6. Grantee may invoice and submit related documentation in the format specified by HSH via paper or email only upon special, written approval from the HSH Contracts Manager.

F. Spend Down

1. Grantee shall direct questions regarding spend down and funding source prioritization to the assigned HSH Contract and Program Managers, as listed in CARBON.
2. Generally, Grantee is expected to spend down ongoing funding proportionally to the fiscal year or project period. Grantee shall report unexpected delays and challenges to spending funds, as well as any lower than expected spending to the assigned Contract and Program Managers, as listed in CARBON prior to, or in conjunction with the invoicing period.
3. Failure to spend Grant funding monthly and annually may result in reductions to future allocations and may impact future advance. HSH may set specific spend down targets and communicate those to Grantees.

G. Documentation and Record Keeping:

1. In accordance with Article 5 Use and Disbursement of Grant Funds; Article 6 Reporting Requirements; Audits; Penalties for False Claims; and the Appendix A(s), Services to be Provided of the Agreement, Grantee shall keep electronic or hard copy records and documentation of all HSH invoiced costs, including, but not limited to, payroll records; paid invoices; receipts; and payments made for a period not fewer

than five years after final payment under this Agreement, and shall provide to the City upon request.

- a. HSH reserves the right to modify the terms of this Appendix in cases where Grantee has demonstrated issues with spend down, accuracy, and timeliness of invoices.
 - b. In addition to the instructions below, HSH will request and review supporting documentation on the following occasions without modification to this Appendix:
 - 1) Program Monitoring;
 - 2) Fiscal and Compliance Monitoring;
 - 3) Year End Invoice Review;
 - 4) Monthly Invoice Review;
 - 5) As needed per HSH request; and/or
 - 6) As needed to fulfill audit and other monitoring requirements.
2. All documentation requested by and submitted to HSH must:
- a. Be easily searchable (e.g., PDF) and summarized in excel;
 - b. Clearly match the Appendix B, Budget(s) line items and eligible activities;
 - c. Not include identifiable served population information (e.g., grantee, client, Protected Health Information (PHI), Personally Identifiable Information (PII));
 - d. Include only subcontracted costs that are reflected in Appendix B, Budget(s). HSH will not pay for subcontractor costs that are not reflected in Appendix B, Budget(s). All subcontractors must also be listed as Approved Subcontractors;
 - e. Include only documentation that pertains to Appendix B, Budget(s) that is being invoiced. Grantee shall not provide agency-wide supporting documentation for other agency costs or HSH Grants. (e.g., only payroll documentation for the personnel being charged to that invoice should be included); and
 - f. Include the Grantee's cost allocation plan.
3. Grantee shall follow HSH instructions per funding source and ensure that all documentation clearly matches the approved Appendix B, Budget(s) line items and eligible activities. HSH reserves the right to reject and/or deny invoices, in part or as a whole, that do not follow these instructions.

General Fund/Our City Our Home (Prop C)	
Type	Instructions and Examples of Documentation
Salaries & Benefits	<p>Grantee shall maintain and provide documentation for all approved payroll expenses paid to any personnel included in the Appendix B, Budget(s) covered by the Agreement and invoice period each time an invoice is submitted.</p> <p>Documentation shall include, but is not limited to, a personnel report in excel format that itemizes all payroll costs included in the invoice, historical and current payroll information from a payroll service or a payroll ledger from Grantee's accounting system and must include employee name, title, rate, and hours worked for each pay period.</p>
Operating	<p>Grantee shall maintain documentation for all approved Operating costs included in the Appendix B, Budget(s). Each time an invoice is submitted, Grantee shall upload documentation for all Subcontractor and Consultant costs, and documentation for any single expense within the Operating budget category that exceed \$10,000.</p> <p>Documentation shall include, but is not limited to, a detailed summary report in excel format that itemizes all costs included in each operating invoice line, receipts of purchases or paid invoices of recurring expenditures, such as lease payments; copies of current leases; subcontractor payments; equipment lease invoices; and utility payments.</p>
Operating - Direct Assistance	<p>Grantee shall maintain and provide documentation for all approved Direct Assistance costs included in the Appendix B, Budget(s) each time an invoice is submitted.</p> <p>Documentation shall include a detailed summary report in excel format, showing proof of Direct Assistance expenditures, and any other information specifically requested by HSH to confirm appropriate use of Direct Assistance funds per the established program policy.</p>

General Fund/Our City Our Home (Prop C)	
Type	Instructions and Examples of Documentation
Capital and/or One-Time Funding	Grantee shall maintain and provide documentation for all approved Capital and/or One-Time Funding costs included in the Appendix B, Budget(s) each time an invoice is submitted. Documentation shall include, but is not limited to, a detailed summary report in excel format that itemizes all costs included in each capital/one-time invoice line, receipts of purchases or paid invoices of non-recurring expenditures, such as repairs or one-time purchases.
Revenue	Grantee shall maintain and provide documentation for all revenues that offset the costs in the Appendix B, Budget(s) covered by the Agreement each time an invoice is submitted.
Security Deposits	Grantee shall maintain and provide documentation for all security deposits each time an invoice is submitted. Security deposits should be kept in the Security Deposit Account such that the monthly security deposit statements can be easily reconciled to the monthly bank statement. Documentation shall include monthly bank statement, monthly security deposit statements (tracks by grantee and unit, the security deposit amount, type of grantee (i.e., FMR, Flexible Housing Subsidy client), to whom the deposit is owed if the grantee vacates their unit, and monthly change in overall liability), and individual security deposit refund statements for any refunds made that month.

4. HSH will conduct regular monitoring of provider operating expenses under \$10,000 including, but not limited to requesting supporting documentation showing invoices were paid. Grantees shall provide requested information within specified timelines. HSH reserves the right to require full documentation of invoice submission regardless of amount to ensure the Grantee's compliance with HSH's invoicing requirements.

IV. Project Reserves: City will hold any required operating and replacement reserves unless otherwise agreed to by City and Grantee. Such reserves will be listed in Appendix B, Budget approved by City. Absent of Emergency Repairs as described in Section 5.7.5. of the Ground Lease Agreement, Grantee must receive written approval from City before incurring any costs against the reserves included in Appendix B, Budget. Once approved, City will allow Grantee to bill against the reserve budget line item/s in CARBON in the next monthly invoice. City approval will use such reserves, in accordance with the general principles described below. City may require other information from the Grantee to analyze the requested reallocation including but not limited to a variance analysis between projected annual income and expenses and actual annual income and expenses, and explanations for the cause of any significant variances.

A. Operating Reserve:

City may approve release of an operating reserve solely to alleviate cash shortages resulting from unanticipated and unusually high, yet justified unbudgeted maintenance expenses, unknown costs at the time of Appendix B, Budget approval (including any and all real estate taxes and assessments), increases to utility costs, abnormally high vacancies and other expenses that that are justified as costs greater than the approved Annual Operating Budget.

B. Replacement Reserve:

City may approve release of a replacement reserve solely to fund unusual replacement and repairs, such replacing, repairing or relocation costs due to unanticipated and emergency maintenance and repairs in accordance with Section 5.7.5. of the Agreement, replacing furniture, fixtures or equipment of the Project.

V. **Advances or Prepayments:** No later than July 10 of each Operating Year, HSH will deposit into the Grantee's Project Operating Account an annual advance equivalent to 16.67% of the Annual Operating Subsidy ("Annual Advance"), based on the latest City-approved Annual Operating Budget. Grantee may draw on the Annual Advance to pay for the initial Project Expenses incurred prior to submitting the first month's invoice in CARBON (as described below) and receiving reimbursement from the City for each Operating Year.

A. Advance Requirements:

Once the Agreement is certified, Grantee, prior to distribution of any advanced payment, must fulfill the following conditions:

1. All Agreement compliance requirements must be currently met (e.g., reports submitted and approved; corrective actions resolved; business tax and insurance certificates in place; prompt and properly documented invoicing; appropriate spend down);
2. The final invoice from the preceding fiscal year must be received prior to advance distribution; and
3. Advances from the preceding fiscal year must be repaid, in full, prior to any additional advance distribution.

B. Advance Repayment Process:

1. The advanced sum will be deducted from the Grantee's monthly invoices at an equal rate each month that will enable repayment before the close of the fiscal year. For example, for a twelve-month grant the rate of repayment of the advance will be 1/10th per month from July to April. An alternative period of repayment may be calculated to ensure cash flow and repayment.

2. All advance repayments must be recovered within the fiscal year for which it was made.
3. In the case where advance repayments cannot be fully recovered by deducting from the Grantee's monthly invoices, Grantee shall repay the outstanding balance via check in the amount verified by the assigned HSH Contract Manager, as listed in CARBON. Grantee shall make the repayment after the final invoice of the fiscal year has been approved to the address provided by the assigned HSH Contract Manager, as listed in CARBON.

VI. End of Operating Year Reconciliation Process

- A. No later than May 1 of each Operating Year, In the case where advance spend down cannot be fully recovered, by deducting actual expenditures from the Grantee's monthly invoices, by the end of the fiscal year, Grantee shall repay HSH any outstanding balance via check or wire in the amount verified by HSH contracts. Grantee shall make the repayment after the final invoice of the fiscal year has been approved.

Grantee will provide to City a variance analysis of the current Annual Operating Budget, including a budget-to-actual comparison of the Project Expenses, Project Income, and Annual Operating Subsidy for the Operating Year from July 1 through May 1 and projected (based on the actual costs) for May and June of that Operating Year. This end of Operating Year reconciliation will be used to make any necessary adjustments to the proposed Annual Operating Budget for final City review and approval.

- B. By the end of each fiscal year, Grantee must either 1) fully spend the Annual Advance to pay actual Project Expenses, or 2) repay any City-confirmed outstanding Annual Advance balance as directed by City.

- VII. Timely Submission of Reports and Compliance:** If a Grantee has outstanding items due to the City (e.g., Corrective Action Plans/report/document/data input), as specified in any written form from HSH (e.g., Letter of Correction, Corrective Action Plan, and/or Appendix A(s), Services to be Provided of the Agreement), Grantee shall submit and comply with such requirements prior to or in conjunction with monthly invoicing. Failure to submit required information or comply by specified deadlines may result in HSH withholding payments.

Appendix E, GROUND LEASE
1174 -1178 Folsom Street and 663 Clementina Street, San Francisco, CA

This Ground Lease (“**Lease**”), is entered into as of November 1, 2024 (the “**Agreement Date**”), by and between THE CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation (the “**City**”), and ABODE PROPERTY MANAGEMENT, a California nonprofit public benefit corporation (“**Tenant**”). The City and Tenant together may be referred to herein as the “**Parties**.”

RECITALS

A. The City is the fee owner of the real property consisting of approximately 8,004 square feet of land, located in the City and County of San Francisco, commonly known as 1174-1178 Folsom Street and 663 Clementina Street, Assessor Parcel Number Block 3730, Lots 408 through 410 and more particularly described in the attached Exhibit A (“**Site**”), with improvements including an apartment building consisting of 42 residential units, ground floor commercial spaces, ground floor lobby, second floor office space and courtyard, basement office/storage, community room, laundry room, and roof deck, and other buildings and structures located on the Site and all apparatus, equipment, and appliances used in connection with the operation or occupancy of the Site and its improvements (the “**Project**” or “**Improvements**”, and together with the Site, the “**Premises**”). The Premises is under the jurisdiction of the City’s Department of Homelessness and Supportive Housing (“**HSH**”).

B. In November 2018, the voters of the City approved Proposition C, which created the Homelessness Gross Receipts Tax Ordinance under Business and Tax Regulations Code Article 28 with all collected monies to be deposited into the Our City, Our Home Fund under Administrative Code Section 10.100-64 (“**OCOH Fund**”). The City is authorized to use a portion of the OCOH Fund for the acquisition of permanent supportive housing units for formerly homeless adults, families, and youth, or the acquisition of SRO Buildings (as defined in Business & Tax Regulations Code Section 2810(h)(2)), or portions thereof, newly acquired or master leased on or after January 1, 2019. City acquired the Premises using funds from the OCOH Fund for the purpose of operating the Project as Permanent Supportive Housing (as defined herein).

C. Tenant was selected pursuant to Ordinance No. 38-24, which authorizes HSH to enter into agreements without adhering to the Administrative Code provisions regarding competitive bidding and other requirements for construction work, procurement, and personal services relating to sites and programs for people experiencing homelessness, and a competitive solicitation issued by HSH on November 6, 2023 to select a qualified supportive housing provider to own and operate the Project as Permanent Supportive Housing.

D. City and Tenant wish to enter into this Lease for Tenant to lease the Site and own the Improvements for the purpose of operating the Project as Permanent Supportive Housing (as defined herein).

E. The City believes that the fulfillment of the terms and conditions of this Lease are in the vital and best interests of the City and the health, safety, morals, and welfare of its residents, and in full accord with the public purposes and provisions of applicable laws.

F. On [_____, 20__], the City’s Board of Supervisors and the Mayor approved Resolution No. [_____], authorizing the City to enter into this Lease with Tenant.

NOW THEREFORE, in consideration of the mutual obligations of the parties hereto, the City and Tenant hereby agree as follows:

1. DEFINITIONS

Terms used herein have the meanings given them when first used or as set forth in this Section 1, unless the context clearly requires otherwise. Whenever an Exhibit is referenced, it means an exhibit to this Lease unless otherwise specifically identified. Whenever a section, article, or paragraph is referenced, it is a reference to this Lease unless otherwise specifically referenced.

- 1.1. **Agents** means agents, affiliates, subsidiaries, licensees, contractors, subcontractors, and each of the persons acting by, through or under each of them, and their respective, legal representatives, successors and assigns.
- 1.2. **Agreement** means this Lease, as amended from time to time in accordance with the terms herein.
- 1.3. **Agreement Date** means the date of this Lease as first written above and for reference purposes only.
- 1.4. **Applicable Legal Requirements** means all applicable statutes, laws, ordinances, regulations, orders, writs, judgments, injunctions, decrees or awards of the United States or any state, county, municipality or governmental agency, including but not limited to fair housing laws and laws providing for access for persons with disabilities.
- 1.5. **Change** has the meaning set forth in Section 5.7.2 hereof.
- 1.6. **City** means the City and County of San Francisco, a municipal corporation.
- 1.7. **Commercial Space** means the three ground floor commercial units in the Premises.
- 1.8. **Commercial Expenses** means all Project Expenses attributable solely to the Commercial Space and the pro rata share of Project Expenses reasonably allocated to the Commercial Space.
- 1.9. **Commercial Income** means all Project Income attributable solely to the Commercial Space.
- 1.10. **Coordinated Entry System (CES)** means the system administered by the HSH that is designed to (i) assess, match and prioritize people experiencing homelessness to housing and (ii) organize the City's Homelessness Response System with a common, population-specific assessment, centralized data system, and prioritization method.
- 1.11. **Effective Date** means the date that a Memorandum of Lease has been recorded in the Official Records against the Premises, upon which this Lease is deemed to be effective, but in no event will the Effective Date be before the date of approval of this Lease by the City's Board of Supervisors and the Mayor.
- 1.12. **Housing First Principles** means tenant screening and selection practices that promote accepting applicants regardless of their sobriety or use of substances, completion of treatment, or participation in services, and prohibit rejecting applicants on the basis of poor credit or financial history, poor or lack of rental history, criminal convictions unrelated to tenancy, or behaviors that indicate a lack of "housing readiness," as further described in California Welfare and Institutions Code section 8255.

- 1.13. **HSH** means the City’s Department of Homelessness and Supportive Housing.
- 1.14. **Improvements** has the meaning set forth in Recital A.
- 1.15. **Invitees** means all clients, customers, vendors, invitees, guests, or licensees, but excluding the Residents.
- 1.16. **Memorandum of Lease** has the meaning set forth in Section 37 hereof.
- 1.17. **Official Records** means the official records of the City and County of San Francisco.
- 1.18. **Operating Funding Agreement** has the meaning set forth in Section 5.12 hereof.
- 1.19. **Permanent Supportive Housing** or **PSH** means housing units that comply with PSH Program Rules and include on-site supportive services, including without limitation, intake and assessment of PSH Residents’ needs, outreach to the PSH Residents to assist them with health or social needs, management of the health or social needs of PSH Residents, mediation of disputes with the property management, and referrals for services for the PSH Residents.
- 1.20. **Premises** has the meaning set forth in Recital A.
- 1.21. **Project** has the meaning set forth in Recital A.
- 1.22. **Project Expenses** means the following costs, which may be paid from Project Income in the following order of priority to the extent of available Project Income: (a) all charges incurred in the operation of the Project for utilities, real estate and/or possessory interest taxes, assessments, and liability, fire, and other hazard insurance premiums; (b) salaries, wages, and other compensation due and payable to the employees or agents of the Tenant who maintain, administer, operate, or provide services in connection with the Permanent Supportive Housing at the Project, including all withholding taxes, insurance premiums, Social Security payments and other payroll taxes or payments required for such employees; (c) all other expenses actually incurred by the Tenant to cover routine operating and services provision costs of the Project, including maintenance and repair; (d) deposits to reserves accounts required to be established by HSH under any separate agreement; (e) if applicable, approved annual asset management fees approved in advance by the City; and (f) any extraordinary expenses as approved in advance by the City. Project Expenses does include Commercial Expenses, if applicable.
- 1.23. **Project Income** means all income and receipts in any form received by the Tenant from the use or operation of the Premises, including, but not limited to, the following: (a) rents, fees, charges, and deposits (other than Resident’s refundable security deposits); (b) Section 8 or other rental subsidy payments received for the Residents and/or the Project; (c) price index adjustments and any other rental adjustments to leases or rental agreements; (d) proceeds from vending and laundry room machine; (e) the proceeds of business interruption or other insurance; (f) any accrued interest disbursed from any reserve account required under this Lease for a purpose other than that for which the reserve account was established; (g) any reimbursements and other charges that may be paid to Tenant in connection with the Project; (h) any grants received by Tenant for the Premises as PSH under separate agreements; and (i) other consideration actually received from the Project, including non-residential uses of the Premises. Project Income does not include interest accruing on any Residents’ refundable security deposits. Project Income does include Commercial Income, if applicable.

- 1.24. **PSH Lease** has the meaning set forth in Section 5.3.1 hereof.
- 1.25. **PSH Program Rules** means the program rules and requirements adopted by HSH, as amended from time to time, for the operation and use of Permanent Supportive Housing.
- 1.26. **PSH Residents** means formerly homeless and income-eligible individuals or other households that Tenant deems eligible for Permanent Supportive Housing, which are i) referred by City to Tenant through the Coordinated Entry System and/or other initiatives serving high priority individuals in coordination with the Coordinated Entry System, such as Shelter In Place hotel guests needing to be rehoused, high users of multiple systems of care, individuals being discharged from hospitals, or persons with behavioral health conditions and ii) have executed a PSH Lease with Tenant in accordance with Section 5.3.1 hereof.
- 1.27. **Residents** means PSH Residents.
- 1.28. **Residential Agreements** has the meaning set forth in Section 5.3.3 hereof.
- 1.29. **Site** has the meaning set forth in Recital A.
- 1.30. **Tenant's Personal Property** has the meaning set forth in Section 7.1 hereof.
- 1.31. **Unit** means any residential unit for occupancy by Residents at the Premises.

2. LEASE OF SITE; TITLE OF IMPROVEMENTS

2.1. **Site.** Subject to the provisions of this Lease, the City hereby leases to Tenant, and Tenant hereby leases from the City, the Site for the Term and any Extended Term, together with reasonable rights of ingress and egress to and from the Site.

2.2. **Title of Improvements.** The City acknowledges that fee title to the Improvements will be vested in Tenant for the Term and any Extension Term. It is the intent of the Parties that this Lease and the Memorandum of Lease will create a constructive notice of severance of the Improvements from the Land without the necessity of a deed from City to Tenant. The City and Tenant agree that fee title to the Improvements will remain vested in Tenant during the Term, subject to Section 8 below; provided, however, that, subject to the rights of any lenders and as further consideration for the City entering into this Lease, at the expiration or earlier termination of this Lease, fee title to all the Improvements, including any modifications to the Improvements completed in accordance with this Lease, will automatically vest in the City without further action of any party, without any obligation by the City to pay any compensation to Tenant, and without the necessity of a deed from Tenant to the City. Without limiting the effectiveness of the previous sentence, upon the City's written request, on expiration or sooner termination of this Lease, Tenant will execute and deliver to the City an acknowledged and good and sufficient grant deed conveying to the City Tenant's fee interest in the Improvements.

2.3. 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) 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 HAVE MADE, AND CITY DISCLAIMS, ANY REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, CONCERNING THE PREMISES, THE PHYSICAL OR ENVIRONMENTAL CONDITION OF THE PREMISES, 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.

2.4 Accessibility Disclosure. 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. The law does not require landlords to have the inspections performed. Tenant is advised that the Land has not been inspected by a CASp.

2.5 Presence of Hazardous Substances. California law requires landlords to disclose to tenants the presence of certain Hazardous Substances. 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 California law, Tenant waives any and all rights Tenant may have to assert that City has not complied with the requirements of the statute.

2.6 Assumed Contracts and Warranties.

On the Effective Date, City will transfer its interests in the contracts and warranties listed in **Exhibit C** attached hereto by an assignment of contracts and warranties in the form attached hereto as **Exhibit C**.

2.6 Assumed Leases.

On the Effective Date, City will transfer its interests in the leases listed in **Exhibit D** attached hereto by an assignment of leases in the form attached hereto as **Exhibit D**.

3. TERM

3.1. Term. The term of this Lease ("Term") will commence upon the Effective Date and will expire five (5) years from such date ("Expiration Date"), unless sooner terminated or extended as provided in this Lease. City will deliver the Premises to Tenant on the Effective Date in their then existing as-is condition as provided in Section 2.2, with no obligation of City to make any improvements, repairs, or alterations to the Premises. In the event that Tenant is unable to fund the difference between Project Income and Project Expenses for the Premises, Tenant will have the right to terminate this Lease upon at least one hundred and eighty (180) days written notice and without penalty.

3.2. Term Extensions. Provided that Tenant is not in default under the terms of this Lease beyond any notice, grace, or cure period, Tenant is granted ten (10) automatic extensions of the Term (each an "Extension") for an additional period of five (5) years (each an "Extension Term") commencing on the Expiration Date and on the expiration of each Extension Term, as applicable. Tenant may decline an Extension by providing written notice to HSH no later than one hundred eighty (180) days before the Expiration Date or expiration of an Extension Term, as applicable. If Tenant does not decline an Extension and is not in default under the terms of this

Lease beyond any notice, grace, or cure period, then this Lease will continue for the Extension Term and will be upon all of the terms, covenants and conditions of this Lease, and all references to the Term will then include the Extension Term.

- 3.3. Holding Over. Any holding over after expiration or earlier termination of the Term or Extension Term, as applicable, will constitute a default by Tenant and entitle the City to exercise any or all of its remedies as provided in this Lease, and all references to the Term will mean a month-to-month tenancy under California law.
- 3.4. Termination Procedure. Upon expiration or earlier termination of this Lease, Tenant will assign to City, or to City's assignee, all security deposits, other Project funds (including all funds in reserve accounts), and all Resident leases and sublease(s) for the Commercial Space that have been assumed by Tenant or properly entered into by Tenant in accordance with this Lease. City will assume all such funds and leases as of the date of the expiration or earlier termination of this Lease. In no event will Tenant be required to evict a Resident who has executed a Residential Agreement in conformity with this Lease at the end of the Term. In addition, prior to expiration or earlier termination of this Lease, Tenant will provide to City a schedule setting forth a list of all other contracts or agreements that Tenant has entered into relating to the Premises, together with true and accurate copies of all such documents, for City's review. City will advise Tenant which contracts and agreements City has elected that Tenant will assign to City or City's assignee, and City or City's assignee will assume upon expiration or earlier termination of this Lease. At or before the expiration or earlier termination of this Lease, Tenant will terminate any contracts or agreements other than those contracts and agreements City has elected that Tenant will assign to City or City's assignee, without liability to City or City's assignee.

4. RENT

4.1 Rent. As of the Effective Date, Tenant has paid to City, as and for rent of the Premises for the Term hereunder, the sum of One Dollar and No/100 (\$1.00), the receipt of which is hereby acknowledged by City.

4.2 Triple Net Lease. This Lease is a triple net lease and Tenant will be responsible to pay all costs, charges, taxes, impositions, and other obligations related to the Premises accruing after the Effective Date. If City pays any such amounts, whether to cure a default or otherwise protect its interests hereunder, City will be entitled to be reimbursed by Tenant the full amount of such payments as additional rent within thirty (30) days of written demand by City. Failure to timely pay any costs, charges, taxes, impositions, and other obligations related to the Premises will be a default by Tenant of this Lease. No occurrence or situation arising during the Term, or any Law, whether foreseen or unforeseen, and however extraordinary, relieves Tenant from its liability to pay all of the sums required by any of the provisions of this Lease, or otherwise relieves Tenant from any of its obligations under this Lease.

5. PERMANENT SUPPORTIVE HOUSING

5.1. Permitted Uses. In consideration of the below market rent under this Lease, Tenant will only use the Premises to operate, maintain, and manage the Premises i) as Permanent Supportive Housing in accordance with any applicable funds, PSH Program Rules, and this Article 5; ii) in accordance with any funding or other agreements, including any separate agreements between City and Tenant or other funding agencies; and iii) in accordance with all applicable restrictions and recorded conditions on title, including but not limited to the City Declaration of Restrictive

Covenants recorded against the Site on or about the date hereof, and for no other purposes. The use of the Commercial Space will be governed by Section 5.15 hereof.

- 5.2. Project Income and Project Expenses. Tenant will collect all rents from Residents, and deposit all such funds in accordance with Section 6, below, which Tenant will use to pay Project Expenses. Tenant will communicate and coordinate with local, state and/or federal agencies, as needed, to process any applicable rental subsidies for Residents. For Residents paying a portion of their income towards rent, Tenant will assist with payment arrangements and will comply with PSH Program Rules and all other applicable requirements governing the Resident portion of rent.
- 5.3. Leasing.
 - 5.3.1. HSH Referrals. Except with the prior written approval by HSH, in its sole discretion, Tenant will only lease Units to participants referred by HSH through the CES. Eligibility criteria for Permanent Supportive Housing varies upon the subsidy funding source and may include meeting a definition of homelessness at the time of referral and placement, enrollment in specific benefits programs, income criteria and/or the ability to live independently within the structure of the housing program. Participants who meet eligibility criteria are prioritized based on various criteria, such as levels of vulnerability, length and history of homelessness, and severity of housing barriers.
 - 5.3.2. New PSH Residents. Upon referral by HSH to Tenant of a prospective PSH Resident through the Coordinated Entry System or otherwise, and prior to move-in, Tenant will perform application review and execute a lease agreement, including all applicable addenda, which addenda shall include but not be limited to house rules, grievance procedure, and HSH PSH lease addendum, on a form approved by the HSH (each, a “**PSH Lease**”) with each prospective PSH Resident.
 - 5.3.3. Omitted.
 - 5.3.4. Omitted.
 - 5.3.5. Housing First Principles, PSH Program Rules, and Applicable Legal Requirements. Tenant will adhere to and comply with Housing First Principles, PSH Program Rules, and Applicable Legal Requirements at all times, including but not limited to those principles, rules, and requirements regarding tenant intake, HSH housing documentation, reasonable accommodation, fair housing, and transfers when accepting referrals and placing PSH Residents into Units. Referrals must not be rejected on the basis of poor credit or financial history, poor or lack of rental history, criminal convictions unrelated to tenancy, or behaviors that indicate a lack of “housing readiness.”
 - 5.3.6. Wellness Checks. Tenant will conduct wellness checks and/or emergency safety checks in accordance with PSH Program Rules and Applicable Legal Requirements to assess a Resident’s safety when there is a reason to believe the Resident is at immediate and substantial risk due to a medical and/or psychiatric emergency.
 - 5.3.7. Translation and Interpreter Services. Tenant will ensure that translation and interpreter services are available, as needed.
- 5.4. Mitigation of Resident Displacement.

- 5.4.1. Tenant will not terminate the tenancy or refuse to renew any Residential Agreement, except for material or repeated violations of the terms and conditions of such Residential Agreement, for violation of Applicable Legal Requirements, or other good cause. Any termination or refusal to renew a Residential Agreement for a Resident must be preceded by not less than thirty (30) days' written notice to the Resident specifying the grounds for the action.
- 5.4.2. Tenant will at all times use a housing retention approach to enforcement of Residential Agreements, including, but not limited to, proactive engagement in collaboration with support services, conversations and mediations with Residents, and mediation strategies. Tenant will establish written agreements with support services and other service providers that provides services to the Premises to formalize collaboration and roles and responsibilities.
- 5.4.3. If a Resident is facing housing instability, Tenant will coordinate with support services staff to find creative ways to engage with Residents to prevent housing loss. Tenant will initiate and participate in individual case conferences and team coordination meetings with HSH-approved programs, as needed, to coordinate and collaborate regarding Residents' housing stability. Tenant will work with support services staff in communicating with and meeting with Residents regarding behaviors and issues that put the Resident at risk for housing instability. Tenant will initiate and participate in regular coordination meetings with support services staff to review Residents at risk for eviction and strategize on how to support Residents in maintaining their housing. Tenant will copy support services staff on all written communications to Residents. Tenant will alert support services staff when Residents give notice to leave the Premises and will keep a record of each tenant's forwarding address, whenever possible.
- 5.4.4. Tenant will provide written notice to Residents regarding issues that may impact housing stability including, but not limited to, discontinuance from rental assistance, non-payment of rent, lease violations or warnings, and conflicts with staff or other Residents.
- 5.4.5. Tenant will establish and maintain a written grievance procedure for Residents, which will include, at minimum, the following elements:
 - 5.4.5.1. The name or title of the person or persons authorized to make a determination regarding the grievance;
 - 5.4.5.2. The opportunity for the aggrieved party to discuss the grievance with those who will be making the determination;
 - 5.4.5.3. The amount of time required for each step, including when a participant can expect a response; and
 - 5.4.5.4. In accordance with published HSH policies/procedures, the HSH Grievances email address and mailing address for the participant to contact after the participant has exhausted Tenant's internal grievance procedure.
 - 5.4.5.5. Tenant will post the grievance procedure at all times in a location visible to Residents, and provide a copy of the procedure and any amendments to HSH.

5.5. Income Certifications.

- 5.5.1. Tenant will use commercially reasonable efforts to promptly obtain initial and annual income certifications for all PSH Residents using the standard certification form if required by HSH to comply with other City requirements. Annual income re-certifications should generally be completed on the anniversary of a Resident's move-in date or another building-wide annual re-certification date.

5.6. No Unlawful Uses or Nuisances.

- 5.6.1. Tenant will not use or occupy any portion of the Premises, or permit the use or occupancy thereof, in violation of any Applicable Legal Requirements, or permit to be carried on any use: (a) in violation of the conditions of any certificate of occupancy or the recorded conditions on title; (b) that is prohibited by the insurance policies carried by Tenant; or (c) or that will increase in any way the existing premiums on (or otherwise affect) fire or any other insurance on the Premises or any personal property located on the Premises. Tenant will take all precautions to eliminate immediately any nuisances or hazards relating to its activities on or about the Premises.
- 5.6.2. Tenant will not cause or permit any waste, damage, or injury to any portion of the Premises.
- 5.6.3. Tenant will not cause or permit the dumping or other disposal on, under or about the Premises of landfill, refuse or Hazardous Material, except any landfill associated with permitted construction and landscaping activities.

5.7. Construction and Repairs.

- 5.7.1. City has a particular interest in the Project and in the nature and extent of any permitted changes to the Premises. Accordingly, City requires and Tenant agrees that there will be no physical construction on the Premises during the Term, except in connection with any necessary repairs or alternations necessary to maintain the Premises or any portion thereof for occupancy as Permanent Supportive Housing. In addition, Tenant will not make or permit any Change (as defined below) in the Premises without the prior written approval of the City and subject to such terms and conditions as the City may reasonably be require. City agrees not to unreasonably withhold, condition, or delay its response to such a request.
- 5.7.2. “**Change**” as used in this Section means any alteration, modification, addition and/or substitution of or to the Premises, the Improvements, and/or the density of the Project which differs materially from that which existed upon the Effective Date, including but not limited to the number and configuration of the Units in the Project, and will include without limitation the interior or exterior design, Commercial Space tenant improvements or modifications (if applicable), replacement of any major building systems, exterior materials and/or exterior color. For purposes of the foregoing, “exterior” will mean and include the roof of the Project. “Change” will not include repairs or maintenance in the normal course of operation of the Premises, or as may be required in an emergency to protect the safety and well-being of the Residents, Tenant, or anyone lawfully permitted on the Premises.
- 5.7.3. Tenant will maintain the physical and financial health of the Premises including: provide an updated capital needs assessment for review by HSH every 5 years after the Agreement Date, implement any HSH-approved capital improvement plan for the Premises, develop a preventative maintenance plan, and respond to any property financial performance and compliance reports required under any agreements applicable to the Premises.

- 5.7.4. Tenant will have the sole responsibility for obtaining all necessary building permits and will make application for such permits directly to the City's Department of Building Inspection.
- 5.7.5. Notwithstanding anything to the contrary in this Section 5.7, Tenant will make all repairs or Changes that are immediately necessary for the preservation or protection of the Premises or the safety of Residents or other persons in or on the Premises (“**Emergency Repairs**”), without HSH prior approval and without limitation as to cost; provided, however, that in each such instance Tenant shall, before causing any such Emergency Repairs to be made, use commercially reasonable efforts to notify HSH of the emergency situation, and obtain the approval of the HSH Executive Director, or Director’s designee, of such Emergency Repairs.
- 5.8. Reporting. Tenant will submit annual reports to HSH on or before October 1 of each calendar year, indicating the following information, as of June 30 of the previous year: (a) whether a unit is vacant or occupied; (b) the income level of the Residents for each unit; (c) rental rates for each unit, including any rental subsidies; and (d) any other information reasonably required by the City to comply with restrictions on the Premises as PSH. The first such report will be due no later than October 1, 2025.
- 5.9. Communication With City. Tenant will keep HSH informed of program operations on the Premises and compliance with PSH Program Rules.
- 5.10. Maintenance and Repair Obligations. Tenant assumes full and sole responsibility for the condition, operation, repair, maintenance, and management of the Premises and will keep the Premises in good condition as it is on the Effective Date and in a manner otherwise reasonably acceptable to the City. The City will not be obligated to make any repairs, replacements, or renewals of any kind, nature, or description whatsoever to the Site or any Improvements. Tenant will use commercially reasonable efforts to make all routine repairs and replacements, interior and exterior, foreseen and unforeseen, that are necessary to maintain the Premises at all times in a clean, safe, attractive and sanitary condition and in good order and repair for safe and sanitary residential housing in accordance with local health, building and housing codes, California Health and Safety Code 17920.10 and the applicable provisions of 24 CFR Part 35, all to the extent reasonably feasible given the financial and physical condition of the Premises as of the Effective Date. In performing these functions, Tenant will:
- (a) Provide written notice to City prior to commencing any repair or replacement that will exceed \$100,000 or will be a Change under Section 5.7, except for any Emergency Repairs under Section 5.7.5;
 - (b) Comply with any required inspections and apply for any permits as needed in order to allow for all building systems to maintain the appropriate licenses, permits, and certifications to ensure their safe and code compliant operation;
 - (c) Notify HSH immediately in the event it is given notice violations by the Department of Building Inspection (DBI), Department of Public Health (DPH), another City agency, or State, Federal agency relating to the Premises; and
 - (d) Maintain any sidewalk and sidewalk area adjacent to the Premises in a good and safe condition in accordance with San Francisco Public Works Code Section 706 or any successor ordinance concerning the sidewalk maintenance within the City and County of San

Francisco. Tenant will be considered an “owner” under Public Works Code Section 706 regarding the maintenance of any sidewalk and sidewalk area adjacent to the Premises.

- 5.11. Disaster and Emergency Response Plan. Tenant will develop and maintain a Disaster and Emergency Response Plan containing site specific emergency response plan(s) for the Premises. The Disaster and Emergency Response Plan must address disaster coordination at the Premises. Tenant will update the Disaster and Emergency Response Plan as needed, and Tenant will train all employees regarding the provisions of the Disaster and Emergency Response Plan for the Premises.
- 5.12. Funding Agreements. Tenant may elect to enter into one or more separate grant or funding agreements for agreed upon improvements or operations necessary for the long-term use of the Premises as PSH. Any funding agreement for the improvement of the Premises will comply with the requirements of this Lease, including, but not limited to, Section 5.7 (Construction and Repairs) and Section 34 (Prevailing Wage and Working Conditions). Concurrently with this Lease, City and Tenant have agreed to enter into a separate Grant Agreement dated November 1, 2024, for funding of the Premises as Permanent Supportive Housing (the “**Operating Funding Agreement**”). In the event of conflict between this Lease and the Operating Funding Agreement, the Operating Funding Agreement will control.
- 5.13. Lead Based Paint. For any Change, repair, or maintenance work performed by Tenant under this Lease, Tenant agrees to comply with the regulations issued by HUD set forth in 24 CFR Part 35 and all applicable rules and orders issued thereunder, to the extent practical or possible.
- 5.14. Limitation of Liability.
 - 5.14.1. Tenant, on behalf of itself and its Agents and Invitees, covenants and agrees that the City will not be responsible for or liable to Tenant for, and, to the fullest extent allowed by any Applicable Legal Requirements, Tenant hereby waives all rights against the City and releases it from any and all claims, demands, losses, liabilities, damages, liens, injuries, penalties, fines, lawsuits and other proceedings, judgments and awards and costs and expenses, including, without limitation, reasonable attorneys’ and consultants’ fees and costs (“**Losses**”), whether direct or indirect, known or unknown, foreseen and unforeseen, arising from or related to the (i) the acts or omissions of Tenant, its Agents and Invitees, including any Residents, Commercial Space subtenant, or other occupants and (ii) the condition or use of the Premises.
 - 5.14.2. Notwithstanding the forgoing, City hereby acknowledges and agrees that Tenant will not be liable for any Losses arising from or related to the physical or environmental condition of the Premises existing prior to the Effective Date.
- 5.15. Commercial Space. Subject to City approval, Tenant will either i) use the Commercial Space as programming space for PSH Residents at the Premises and in accordance with PSH Program Rules, or ii) sublease the Commercial Space to a commercial tenant for commercial services and in accordance with Applicable Legal Requirements, which sublease will be subject to City’s prior written approval.

5.16. Good Neighbor Policies. Tenant will maintain a good relationship with the neighborhood surrounding the Premises in accordance with HSH's Good Neighbor Policy¹ dated as of- May 24, 2024, as may be amended from time to time, including but not limited to: collaborating with neighbors and relevant City agencies to ensure that neighborhood concerns about the Premises are heard and addressed; responding to neighbors within three (3) business days, if reasonable; and ensuring that a Tenant representative attends all appropriate neighborhood meetings.

6. RESERVED

7. TENANT'S PERSONAL PROPERTY

7.1. All furniture, office equipment and articles of movable personal property installed in the Premises by or for the account of Tenant, that was not paid for by 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 Tenant's Personal Property at any time during the Term. Tenant will pay any taxes or other impositions levied or assessed upon Tenant's Personal Property, at least ten (10) days prior to delinquency, and will deliver satisfactory evidence of such payment to City upon request.

8. ASSIGNMENT, SUBLEASE OR OTHER CONVEYANCE

8.1. Tenant will not sell, assign, convey, sublease, or transfer in any other mode or form all or any part of its interest in this Lease or in the Premises or any portion thereof, or allow any person or entity to occupy or use all or any part of the Premises, other than the Residential Agreements and sublease for the Commercial Space, if applicable and in accordance with Section 5.15, in the ordinary course of business, without the prior written approval of the City in its sole and absolute discretion.

9. TAX EXEMPTION

9.1. On an annual basis, Tenant will timely apply for and obtain any applicable exemptions from taxes and/or assessments levied on the Premises or on the Tenant's interest thereon, including but not limited to, the welfare tax exemption under California Revenue & Taxation Code Section 214(g) or successor exemption for affordable housing. City will reasonably cooperate with and assist Tenant in applying for and obtaining any such applicable exemptions from taxes or assessments levied on the Premises or on Tenant's interest thereon.

10. UTILITIES

10.1 Tenant will procure water and sewer service from the City, and electricity, telephone, natural gas, trash collection services, and any other utility service from utility companies providing such services, and will pay all deposits, connection, installation, and use charges imposed in connection with such services as Project Expenses. In accordance with Administrative Code Chapter 99, as may be amended, HSH will coordinate with the San Francisco Public Utilities Commission ("**SFPUC**") to determine if it is feasible for the SFPUC to provide electricity service for the Premises. If the SFPUC determines, in its sole judgment and at any point during the Term of this Lease, that it is feasible for the SFPUC to provide electricity service for the Premises, Tenant will purchase all electricity necessary for its operations at the Premises from the SFPUC, at the SFPUC's standard rates charged to third parties. The City will pay for any costs associated with converting to SFPUC-provided electricity service, if applicable. The

¹ <https://hsh.sfgov.org/wp-content/uploads/2024/05/Good-Neighbor-Policy-All-Service-Types.docx>

SFPUC is the provider of electric services to City property, and the SFPUC's Interconnection Services Department will coordinate with Pacific Gas and Electric Company and others to implement this Section. Except as otherwise provided in this Lease, the City has no responsibility or liability of any kind with respect to any utilities that may be on or about the Premises. Tenant has the sole responsibility to locate any utility facilities within the Premises and protect them from damage resulting from Tenant's use of the Premises.

11. LIENS AND ENCUMBRANCES

- 11.1. No Encumbrances. Notwithstanding any other provision of this Lease and subject to the prior written consent of the City, in its sole and absolute discretion, no mortgage, deed of trust, assignment of rents, fixture filing, security agreement, or similar security instrument, or other lien or encumbrance or assignment or pledge of an asset is permitted to be placed upon the Premises.
- 11.2. Liens. Tenant will keep the Premises free from any liens arising out of any work performed or materials furnished by itself or its Agents. In the event that Tenant fails to cause any such lien to be released of record or bonded around within twenty (20) days following written notice from the City of the imposition of any such lien, the City will have, in addition to all other remedies provided herein and by law, the right but not the obligation to cause the same to be released by such means as it will deem proper, including payment of the claim giving rise to such lien. All sums paid by the City for such purpose, and all reasonable expenses incurred by it in connection therewith, will be payable to the City by Tenant on demand; provided, however, Tenant will have the right, upon posting of an adequate bond or other security, to contest any such lien, and the City will not seek to satisfy or discharge any such lien unless Tenant has failed to do so within ten (10) days after the final determination of the validity thereof. In the event of any such contest, Tenant will protect, defend, and indemnify the City against all loss, cost, expense or damage resulting therefrom.

12. DEFAULT AND REMEDIES

- 12.1. Application of Remedies. The provisions of this Article 12 will govern the Parties' remedies for breach of this Lease.
- 12.2. Notice and Cure Rights for Tenant. The City will not exercise its remedies under this Lease for a default by the Tenant unless and until (i) the City has given written notice of any such default, in accordance with the notice provisions herein, to Tenant, and (ii) such default has not been cured within thirty (30) days, or such longer period as may be set forth herein, following the giving of such notice or, if such default cannot be cured within such 60-day period, such longer period as is reasonably necessary to cure such default, provided that such cure has been commenced within such 60-day period and is being prosecuted diligently to completion.
- 12.3. Breach by City. If Tenant believes that City has materially breached this Lease, Tenant will first notify the City in writing of the purported breach, giving the City sixty (60) days from receipt of such notice to cure such breach. In the event City does not then cure or, if the breach is not reasonably susceptible to cure within that sixty (60) day period, begin to cure within sixty (60) days and thereafter diligently prosecute such cure to completion, then Tenant may either (i) terminate in writing this entire Agreement, or (ii) seek specific performance of this Lease.
- 12.4. Breach by Tenant.
- 12.4.1. Default by Tenant.

Subject to the notice and cure rights under Section 12.2, the following events each constitute a basis for the City to take action against Tenant (each, an “**Event of Default**”):

- (1) Tenant fails to comply with the permitted uses set forth in Article 5 hereof, or any other Applicable Legal Requirements;
- (2) Tenant voluntarily or involuntarily assigns, transfers or attempts to transfer or assign this Lease or any rights in this Lease, or in the Premises, except as permitted by this Lease;
- (3) Tenant fails to apply for all applicable exemptions and waivers and pay real estate taxes or assessments on the Premises or any part thereof when due, or places thereon any encumbrance or lien unauthorized by this Lease, or suffers any levy or attachment to be made, or any material supplier’s or mechanic’s lien or any other unauthorized encumbrance or lien to attach, and such taxes or assessments have not been paid, or the encumbrance or lien removed or discharged; provided, however, that Tenant will have the right to contest any tax or assessment pursuant to this Lease and, upon the posting of an adequate bond or other security, to contest any such lien or encumbrance. In the event of any such contest, Tenant will protect, indemnify, and hold City harmless against all losses and damages, including reasonable attorneys’ fees and costs resulting therefrom;
- (4) Tenant (i) is adjudicated bankrupt or insolvent or made a transfer in fraud of creditors, (ii) makes an assignment for the benefit of creditors, or (iii) brings or has brought against Tenant any action or proceeding of any kind under any provision of the Federal Bankruptcy Act or under any other insolvency, bankruptcy or reorganization act and, in the event such proceedings are involuntary, Tenant is not dismissed from the same within sixty (60) days thereafter; or, a receiver is appointed for a substantial part of the assets of Tenant and such receiver is not discharged within sixty (60) days;
- (5) Tenant breaches any other material provision of this Lease;
- (6) Tenant breaches any material provision of any other agreement between City and Tenant relating to the Premises, and fails to cure or commence cure of such breach within the applicable cure period to the reasonable satisfaction of HSH; or
- (7) Tenant fails to pay any portion of rent or other payments when due in accordance with the terms and provisions of this Lease.

12.4.2. Notification and City Remedies. Upon the occurrence of an Event of Default, and prior to exercising any remedies, City will notify Tenant in writing at the address listed in Article 24 hereof of the Tenant’s purported breach, failure, or act, subject to the cure rights in Section 12.2. Upon the expiration of the applicable notice and cure period described in Section 12.2, City will have the right to exercise its legal and equitable remedies, including, without limitation, the right to terminate this Lease or to seek specific performance of all or any part of this Lease. In addition, where applicable, City will have the right (but not obligation) to cure (or cause to be cured) on behalf of Tenant any Event of Default; Tenant will pay to City on demand all costs and expenses incurred by City in effecting such cure, with interest thereon from the date of incurrence at the

maximum rate then permitted by law. City will have the right to offset from any amounts due to Tenant under this Lease or any other agreement between City and Tenant: (i) all damages, losses, costs or expenses incurred by City as a result of an Event of Default; and (ii) any liquidated damages levied upon Tenant pursuant to the terms of this Lease; and (iii), any damages imposed by any ordinance or statute that is incorporated into this Lease by reference, or into any other agreement with the City. This Section 12.4.2 will survive termination of this Lease.

12.4.3. All remedies provided for in this Lease may be exercised individually or in combination with any other remedy available hereunder or under applicable laws, rules and regulations. The exercise of any remedy will not preclude or in any way be deemed to waive any other remedy. Nothing in this Lease will constitute a waiver or limitation of any rights that City may have under applicable law.

13. DAMAGE AND DESTRUCTION

If the Premises or any part thereof are damaged or destroyed after the Agreement Date, then the rights and obligations of Tenant hereunder shall be as follows:

13.1. Insured Casualty. If such damage or destruction is fully covered by any cause covered by any policy of insurance required to be maintained by Tenant under this Lease, other than the deductible amount, Tenant will promptly commence and diligently complete the restoration of the Premises as nearly as possible to the condition thereof before such damage or destruction.

13.2. Uninsured Casualty. If (i) such damage or destruction is not fully covered by any cause covered by any policy of insurance required to be maintained by Tenant under this Lease, other than the deductible amount; (ii) in the reasonable opinion of Tenant, the restoration cannot be completed or operated on an economically feasible basis; and (iii) there is not available to Tenant any City funds or third party financing reasonably acceptable to Tenant to fund the restoration, then Tenant may terminate this Lease upon ninety (90) days written notice to the City. If it appears that the provisions of this Section 13.2 may apply to a particular event of damage or destruction, Tenant will notify the City promptly and not consent to any settlement or adjustment of an insurance award without the City's written approval, which approval will not be unreasonably withheld or delayed. If Tenant terminates this Lease under this Section 13.2, then all insurance proceeds and damages payable by reason of the casualty will be distributed to the City. If Tenant does not have the right, or elects not to exercise the right, to terminate this Lease as a result of an uninsured or underinsured casualty, then Tenant will promptly commence and diligently complete the restoration of the Premises as nearly as possible to their condition before the damage or destruction in accordance with the provisions of Section 13.1 and will be entitled to all available insurance proceeds to do so.

13.3. Notwithstanding anything to the contrary in this Lease, City will have no obligation to repair the Premises upon a casualty event.

14. DAMAGE; HAZARDOUS MATERIALS; INDEMNIFICATION

14.1. Damage to Person or Property - General Indemnification. City will not in any event whatsoever be liable for any injury or damage to any person happening on or about the Site, for any injury or damage to the Premises, or to any property of Tenant, or to any property of any other person, entity or association on or about the Site, unless arising from or related to any gross negligence or willful misconduct of the City or any of its commissioners, officers, agents or

employees. Tenant will defend, hold harmless and indemnify the City and its respective commissioners, officers, agents, and employees (each, an “**Indemnified Party**” and collectively the “**Indemnified Parties**”), of and from all Losses directly or indirectly arising from its tenancy, its use of the Site, including adjoining sidewalks and streets, and any of its operations activities thereon or connected thereto; provided, however, that this Article 14 will not be deemed or construed to and will not impose an obligation to indemnify and save harmless the City or any of its commissioners, officers, agents or employees from any Losses arising from or in any way related to or connected with any gross negligence or willful misconduct of the City or any of its commissioners, officers, agents or employees.

14.2. Hazardous Materials.

- 14.2.1. Tenant covenants and agrees that it will not, and will take commercially reasonable efforts to ensure that Tenant’s Agents and Invitees do not, cause or permit any Hazardous Substance to be brought upon, kept, used, stored, generated or disposed of in, on or about the Premises or transported to or from the Premises in violation of Environmental Laws (as defined herein) without the prior written approval of the City.
- 14.2.2. Tenant will not, and Tenant will use commercially reasonable efforts to ensure that Tenant’s Agents and Invitees do not, cause any Release (as defined herein) of Hazardous Substances in, on, under or about the Premises.
- 14.2.3. Tenant will indemnify, defend, and hold the City, and its commissioners, officers, agents and employees (individually, an “**Indemnified Party**” and collectively, the “**Indemnified Parties**”) harmless from and against any and all losses, costs, claims, damages, liabilities, and causes of action of any nature whatsoever (including, without limitation, the reasonable fees and disbursements of counsel and engineering consultants) incurred by or asserted against any Indemnified Party in connection with, arising out of, in response to, or in any manner relating to Tenant’s violation of any Environmental Law, or any Release, threatened Release and any condition or Hazardous Substance related nuisance on, under or from the Premises, except to the extent it arises from the existing condition of the Premises as of the Effective Date or any gross negligence or willful misconduct of the City or any of its commissioners, officers, agents or employees.
- 14.2.4. For purposes of this Section, the following definitions will apply:
 - 14.2.4.1. “**Hazardous Substance**” will have the meaning set forth in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended as of the date of this Lease, 42 U.S.C. 9601(14), and in addition will include, without limitation, petroleum (including crude oil or any fraction thereof) and petroleum products, asbestos, asbestos-containing materials, polychlorinated biphenyls (“PCBs”), PCB-containing materials, all hazardous substances identified in the California Health & Safety Code Section 25316 and Section 2528 l(d), all chemicals listed pursuant to the California Health & Safety Code 25249.8, and any substance deemed a hazardous substance, hazardous material, hazardous waste, or contaminant under Environmental Law. The foregoing definition will not include substances which occur naturally on the Site or that which are reasonably and customarily used in the operation and maintenance of a multifamily housing development.
 - 14.2.4.2. “**Environmental Law**” will include all federal, state and local laws, regulations and ordinances governing hazardous waste, wastewater discharges, drinking water, air emissions, Hazardous Substance releases or reporting requirements, Hazardous Substance use or storage, and employee or community right-to-know requirements related to the work being performed under this Lease.
 - 14.2.4.3. “**Release**” will mean any spillage, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing into the

environment, including the abandonment or discharging of barrels, containers, and other closed receptacles containing any Hazardous Substance.

14.3. Exculpation and Waiver. Tenant, as a material part of the consideration to be rendered to the City, hereby waives any and all Losses, including without limitation all Losses arising from the joint or concurrent, active or passive, negligence of the Indemnified Parties, but excluding any Losses caused solely by the Indemnified Parties' willful misconduct or active gross negligence. The Indemnified Parties will not be responsible for or liable to Tenant, and Tenant hereby assumes the risk of, and waives and releases the Indemnified Parties from all Losses for, any injury, loss, or damage to any person or property in or about the Premises by or from any cause whatsoever including, without limitation, (a) any act or omission of persons occupying adjoining premises or any part of the Premises adjacent to or connected with the Premises, (b) theft, (c) explosion, fire, steam, oil, electricity, water, gas or rain, pollution or contamination, (d) stopped, leaking, or defective building systems, (e) construction or Site defects, (f) damages to goods, wares, goodwill, merchandise, equipment, or business opportunities, (g) Losses by persons in, on or about the Premises or any other City property for any cause arising at any time, (h) alleged facts or circumstances of the process or negotiations leading to this Lease before the Effective Date and (i) any other acts, omissions, or causes.

14.4. Tenant understands and expressly accepts and assumes the risk that any facts concerning the Losses released in this Lease might be found later to be other than or different from the facts now believed to be true, and agrees that the releases in this Lease will remain effective. Therefore, with respect to the Losses released in this Lease, Tenant waives any rights or benefits provided by Section 1542 of the Civil Code, which reads as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

Tenant specifically acknowledges and confirms the validity of the release made above and the fact that Tenant was represented by counsel who explained the consequences of the release at the time this Lease was made, or that Tenant had the opportunity to consult with counsel, but declined to do so.

15. INSURANCE

15.1 During the Term, Tenant will procure and maintain insurance against claims for injuries to persons or damage to property that may arise from or in connection with the performance of any work by the Tenant, its agents, representatives, employees or subcontractors and the Tenant's use and occupancy of the Premises.

15.2 Minimum Scope of Insurance. Tenant will obtain and maintain, and cause its contractors, subcontractors, and/or agents, as appropriate for each, to obtain and maintain, insurance and bonds as follows:

15.2.1 Workers' Compensation, in statutory amounts, with Employers' Liability Limits not less than \$1,000,000 each accident, injury, or illness;

15.2.2. Commercial General Liability Insurance with limits not less than \$2,000,000 each occurrence for Bodily Injury and Property Damage, including Contractual Liability, Personal Injury, Products and Completed Operations. Policy must include Abuse and Molestation coverage;

- 15.2.3. Commercial Automobile Liability Insurance with limits not less than \$1,000,000 each occurrence, "Combined Single Limit" for Bodily Injury and Property Damage, including Owned, Non-Owned and Hired auto coverage, as applicable;
- 15.2.4. Reserved
- 15.2.5. Reserved
- 15.2.6. As applicable, pollution liability and/or asbestos pollution liability covering the work being performed with a limit no less than Two Million Dollars (\$2,000,000) each occurrence combined single limit, including coverage for on-site third party claims for bodily injury and property damage;
- 15.2.7. Boiler and machinery insurance, comprehensive form, covering damage to, loss or destruction of machinery and equipment located on the Site that is used by Tenant for heating, ventilating, air-conditioning, power generation, and similar purposes, in an amount not less than one hundred percent (100%) of the actual then-current replacement value of such machinery and equipment; and
- 15.2.8. Property insurance, excluding earthquake, in the amount no less than One Hundred Percent (100%) of the then-current replacement value of all improvements and City property in the care, custody, and control of the Tenant or its contractor.

15.3 Commercial Space. Tenant will require that all nonresidential tenants' liability insurance policies include Tenant and the City as additional insureds, as their respective interests may appear. Throughout the term of any lease of Commercial Space, Tenant will require commercial tenants to maintain insurance as follows:

- 15.3.1. To the extent the tenant has "employees" as defined in the California Labor Code, workers' compensation insurance with employer's liability limits not less than One Million Dollars (\$1,000,000) each accident;
- 15.3.2. Commercial general 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 coverage for contractual liability; personal injury; advertisers' liability; including coverage for loss of income due to an insured peril for twelve (12) months; owners' and contractors' protective; broad form property damage; explosion, collapse and underground (XCU); products and completed operations coverage;
- 15.3.3 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, hired and non-owned auto coverage, as applicable;
- 15.3.4. With respect to any tenant who has (or is required by Law to have) a liquor license and who is selling or distributing alcoholic beverages and/or food products on the leased premises, to maintain liquor and/or food products liability coverage with limits not less than One Million Dollars (\$1,000,000), as appropriate;
- 15.3.5. Special form coverage insurance, including vandalism and malicious mischief, in the amount of 100% of the full replacement cost thereof, covering all furnishings, fixtures, equipment, leasehold improvements, alterations and property of every kind of the tenant and of persons claiming through the tenant; and
- 15.3.6. Full coverage plate glass insurance covering any plate glass on the commercial space.

15.4 Additional Insured Endorsements

- 15.4.1. The Commercial General Liability policy must be endorsed to name as Additional Insured the City and County of San Francisco, its Officers, Agents, and Employees.
- 15.4.2. The Commercial Automobile Liability Insurance policy must be endorsed to name as Additional Insured the City and County of San Francisco, its Officers, Agents, and Employees.

- 15.4.3. The Commercial Automobile Liability Insurance policy must be endorsed to include (i) Auto Pollution Additional Insured Endorsement naming as Additional Insured the City and County of San Francisco, its Officers, Agents, and Employees; and (ii) if applicable, Form MCS-90 for Motor Carrier Policies of Insurance for Public Liability under Sections 29 and 30 of the Motor Carrier Act of 1980.
- 15.5 Waiver of Subrogation Endorsements. The Workers' Compensation policy(ies) shall be endorsed with a waiver of subrogation in favor of the City for all work performed by the Tenant, its employees, agents and subcontractors.
- 15.6 Primary Insurance
- 15.6.1. The Commercial General Liability policy shall provide that such 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 the insurance applies separately to each insured against whom claim is made or suit is brought.
- 15.6.2. The Commercial Automobile Liability Insurance policy shall provide that such 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 the insurance applies separately to each insured against whom claim is made or suit is brought.
- 15.6.3. The Pollution Liability Insurance policy shall provide that such 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 the insurance applies separately to each insured against whom claim is made or suit is brought.
- 15.7 Deductibles and Self-Insured Retentions. Any deductibles or self-insured retentions in excess of \$25,000 must be declared to and approved by the City. At the option of City, either: the insurer will reduce or eliminate the deductibles or self-insured retentions with respect to the City and County of San Francisco, and their respective commissioners, members, officers, agents, and employees; or the Tenant must procure a financial guarantee satisfactory to the City guaranteeing payment of losses and related investigations, claim administration, and defense expenses.
- 15.8 Other Insurance Requirements. Any insurance required by this Article 15 must also meet the following requirements:
- 15.8.1. Thirty (30) days' advance written notice shall be provided to the City of cancellation, intended non-renewal, or reduction in coverages, except for non-payment for which no less than ten (10) days' notice shall be provided to City. Notices shall be sent to the City address set forth in Section 24 entitled "Notices to the Parties."
- 15.8.2. Should any of the required insurance be provided under a claims-made form, Tenant shall maintain such coverage continuously throughout the term of this Lease and, without lapse, for a period of three years beyond the expiration of this Lease, to the effect that, should occurrences during the Agreement term give rise to claims made after expiration of the Agreement, such claims shall be covered by such claims-made policies.
- 15.8.3. Should any of the required insurance be 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 such general annual aggregate limit, such general annual aggregate limit shall be double the occurrence or claims limits specified above.
- 15.8.4. Should any required insurance lapse during the term of this Lease, requests for payments originating after such lapse shall not be processed until the City receives satisfactory evidence of reinstated coverage as required by this Lease, effective as of the lapse date. If

insurance is not reinstated, the City may, at its sole option, terminate this Lease effective on the date of such lapse of insurance.

15.8.5. Before the Effective Date, Tenant shall furnish to City certificates of insurance and additional insured policy endorsements with insurers with ratings comparable to A-, VIII or higher, that are authorized to do business in the State of California, and that are satisfactory to City, in form evidencing all coverages set forth above. Approval of the insurance by City shall not relieve or decrease Tenant's liability hereunder.

15.8.6. If Tenant will use any subcontractor(s), Tenant shall require the subcontractor(s) to provide all necessary insurance and to name the City and County of San Francisco, its officers, agents and employees and the Tenant as additional insureds. All coverage for such subcontractor(s) will be subject to all of the requirements stated herein unless otherwise approved by the City.

15.9 Other Insurance Provisions. The policies must contain, or be endorsed to contain, the following provisions:

15.9.1. General Liability and Automobile Liability Coverage: The "City and County of San Francisco and their respective commissioners, members, officers, agents, and employees" are to be covered as additional insured with respect to: liability arising out of activities performed by or on behalf of the Tenant related to the Project; products and completed operations of the Tenant, premises owned, occupied or used by the Tenant related to the Project; and automobiles owned, leased, hired, or borrowed by the Tenant for the operations related to the Project. The coverage may not contain any special limitations on the scope of protection afforded to the City and its Commissioners, members, officers, agents, or employees.

15.9.2. Workers' Compensation and Property Insurance: The insured will agree to waive all rights of subrogation against the "City and County of San Francisco, and their respective commissioners, members, officers, agents, and employees" for any losses in connection with this Project.

15.9.3. Claims-made Coverage: If any of the required insurance is provided under a claims-made form, Tenant will maintain such coverage continuously throughout the Term and, without lapse, for a period of three years beyond the expiration of this Lease, to the effect that, if occurrences during the contract term give rise to claims made after expiration of the Agreement, then those claims will be covered by the claims-made policies.

15.9.3.1 All Coverage. Each insurance policy required by this Article must:

Be endorsed to state that coverage will not be suspended, voided, canceled by either party, or reduced in coverage or in limits, except after thirty (30) days' prior written notice has been given to City, except in the event of suspension for nonpayment of premium, in which case ten (10) days' notice will be given.

- (1) Contain a clause providing that the City and its officers, agents and employees will not be liable for any required premium.
- (2) For any claims related to this Lease, the Tenant's insurance coverage will be primary insurance with respect to the City and its commissioners, members, officers, agents, and employees. Any insurance or self-insurance maintained by the City or its commissioners, members, officers, agents, or employees will be in excess of the Tenant's insurance and will not contribute with it.
- (3) The Tenant's insurance will apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
- (4) Any failure to comply with reporting provisions of the policies will not affect coverage provided to the City and its commissioners, members, officers, agents, or employees.

- (5) Approval of Tenant's insurance by the City will not relieve or decrease the liability of Tenant under this Lease.
- (6) The City reserves the right to require an increase in insurance coverage, including both coverage amounts and types of insurance, or otherwise change the insurance requirements of this Lease, if the City determines that conditions (including, but not limited to, property conditions, market conditions, or commercially reasonable practice) show cause for an increase, unless Tenant demonstrates to the City's satisfaction that the increased coverage is commercially unreasonable and unavailable to Tenant. Upon any such increase or change, Tenant will have a reasonable period, but in no event less than ninety (90) days, to obtain the requisite insurance.

15.10 Acceptability of Insurers. All insurers must have a Best's rating of no less than A-VIII or as otherwise approved by the City's Risk Manager.

15.11 Verification of Coverage. Tenant will furnish City with certificates of insurance and with original endorsements effecting coverage required by this clause at the commencement of this Lease and annually thereafter. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. City reserves the right to require complete, certified copies of all required insurance policies, including endorsements demonstrating the coverage required by these specifications at any time.

15.12 Contractor, Subcontractors, and Consultants Insurance. Tenant must include all subcontractors and consultants as additional insureds under its policies or furnish separate certificates and endorsements for each. Tenant will require the subcontractor(s) and consultants to provide all necessary insurance and to name the City and County of San Francisco, and their respective commissioners, members, officers, agents, and employees and the Tenant as additional insureds. All coverage for subcontractors and consultants will be subject to all of the requirements stated herein unless otherwise approved by the City's Risk Manager.

16. COMPLIANCE WITH SITE-RELATED AND LEGAL REQUIREMENTS; COVENANTS

16.1. Compliance with Legal Requirements. Tenant will comply with all Applicable Legal Requirements, statutes, ordinances and governmental rules, regulations or requirements now in force or which may hereafter be in force, with the requirements of any board of fire underwriters or other similar body now or hereafter constituted, with any direction or occupancy certificate issued pursuant to any law by any public officer or officers, with respect to the condition, use or occupancy of the Premises. In the event Tenant contests any Applicable Legal Requirement, Tenant will not be obligated to comply therewith to the extent that the application of the contested law, statute, ordinance, rule, regulation or requirement is stayed by the operation of law or administrative or judicial order. Tenant will Indemnify City for any Loss relating to any such contest by Tenant.

16.2. Regulatory Approvals. Tenant understands and agrees that the City is entering into this Lease in its capacity as a landowner with a proprietary interest in the Premises and not as a regulatory agency with certain police powers. Tenant understands and agrees that neither entry by the City into this Lease nor any approvals given by the City under this Lease will be deemed to imply that Tenant will obtain any required approvals from City departments, boards or commissions that have jurisdiction over the Premises. By entering into this Lease, the City is in no way modifying or limiting the obligations of Tenant to develop the Premises in accordance with all Applicable Legal Requirements and as provided in this Lease.

- 16.3. City Covenants. City is duly created, validly existing, and in good standing under the Applicable Legal Requirements, and has full right, power, and authority to enter into and perform its obligations under this Lease. City covenants and warrants that, during the Term, Tenant and its Residents will have, hold, and enjoy peaceful, quiet, and undisputed possession of the Site, leased without hindrance or molestation by or from anyone so long as the Tenant is not in default under this Lease.
- 16.4. Tenant Covenants. Tenant is a duly formed California nonprofit public benefit corporation under California law, is and will remain in in good standing under the Applicable Legal Requirements, and has the full rights, power, and authority to enter into and perform its obligations under this Lease.

17. ENTRY

- 17.1. Subject to the rights of the Residents and others lawfully permitted on the Property under Applicable Legal Requirements, the City reserves for itself and its authorized representatives the right to enter the Premises at all reasonable times during normal business hours upon not less than forty-eight (48) hours' written notice to Tenant (except in the event of an emergency) for any of the following purposes:
- 17.1.1. to determine whether the Premises is in good condition and to inspect the Premises;
 - 17.1.2. to determine whether Tenant is in compliance with its Agreement obligations and to cure or attempt to cure any Tenant default;
 - 17.1.3. to serve, post or keep posted any notices required or allowed under any of the provisions of this Lease; and
 - 17.1.4. to do any maintenance or repairs to the Premises that the City has the right or the obligation, if any, to perform hereunder.
- 17.2. In the event of any emergency, as reasonably determined by the City, at its sole option and without notice, the City may enter the Premises and alter or remove any Tenant's Personal Property on or about the Premises as reasonably necessary, given the nature of the emergency. The City will have the right to use any and all means the City considers appropriate to gain access to any portion of the Premises in an emergency, in which case, the City will not be responsible for the replacement of any property, and no emergency entry may be deemed to be a forcible or unlawful entry onto or a detainer of the Premises, or an eviction, actual or constructive, of Tenant from the Premises or any portion thereof.
- 17.3. The City will not be liable in any manner for any inconvenience, disturbance, loss of business, nuisance or other damage arising out of the City's entry onto the Premises, except to the extent damage arises out of the gross negligence or willful misconduct of the City or its agents. The City will be responsible for any losses resulting from its gross negligence or willful misconduct and will repair any resulting damage promptly.
- 17.4. The City will use its reasonable good faith efforts to conduct any activities on the Premises allowed under this Section in a manner that, to the extent practicable, will minimize any disruption to Tenant's use hereunder.

18. CONDEMNATION AND TAKINGS

- 18.1. Parties' Rights and Obligations to be Governed by Agreement. If, during the Term, there is any condemnation of all or any part of the Premises is taken by condemnation, the rights and obligations of the parties will be determined pursuant to this Article 18.
- 18.2. Total Taking. If the Premises is totally taken by condemnation, this Lease will terminate on the date the condemnor has the right to possession of the Premises.
- 18.3. Partial Taking. If any portion of the Premises is taken by condemnation, this Lease will remain in effect, except that Tenant may elect to terminate this Lease if, in Tenant's reasonable judgment, the remaining portion of the Premises is rendered unsuitable for Tenant's continued use of the Premises. If Tenant elects to terminate this Lease, Tenant must exercise its right to terminate pursuant to this paragraph by giving notice to the City within sixty (60) days after the City notifies Tenant of the nature and the extent of the taking. If Tenant elects to terminate this Lease as provided in this Section 18.3, Tenant also will notify the City of the date of termination, which date will not be earlier than ninety (90) days nor later than six (6) months after Tenant has notified the City of its election to terminate; except that this Lease will terminate as to the portions of the Premises taken by the condemnor on the date the condemnor takes possession of that portion of the Premises. If Tenant does not terminate this Lease within such sixty (60) day notice period, this Lease will continue in full force and effect.
- 18.4. Award and Distribution. Any compensation awarded, paid or received on a total or partial condemnation of the Premises or threat of condemnation of the Premises will belong to and be distributed in the following order:
- 18.4.1. First, to pay the balance due on any outstanding or unpaid obligations and/or liabilities, including but not limited to, trade accounts, taxes, payroll accruals and residuals, to the extent provided therein; and
- 18.4.2. Second, to the City.

19. SURRENDER

19.1. Surrender.

- 19.1.1. Upon expiration or earlier termination of this Lease, Tenant will surrender the Premises to the City in good order and condition, subject to normal wear and tear, and, at the City's request, will execute, acknowledge, and deliver to the City a good and sufficient quitclaim deed with respect to any interest of Tenant in the Premises. Normal wear and tear will not include any damage or deterioration that would have been prevented had Tenant properly performed its obligations under this Lease. The Premises will be surrendered free and clear of all liens and encumbrances arising out of Tenant's acts other than liens and encumbrances approved by the City and rights of Residents in units occupied at the end of the Term.
- 19.1.2. No act or conduct of the City or HSH, including, but not limited to, the acceptance of the keys to the Premises, will constitute an acceptance of the surrender of the Premises by Tenant before the expiration of the Term. Only a written notice from the City to Tenant confirming termination of this Lease and surrender of the Premises by Tenant will constitute acceptance of the surrender of the Premises and accomplish a termination of this Lease.
- 19.1.3. Upon the expiration or earlier termination of this Lease, the Improvements will automatically, and without further act or conveyance on the part of Tenant or the City, become the property of the City, free and clear of all liens and without payment therefore by the City, as provided in Article 2 hereof. Without limiting the effectiveness of the previous sentence, upon the City's

written request, on expiration or earlier termination of this Lease, Tenant will execute and deliver to the City an acknowledged and good and sufficient grant deed conveying to the City Tenant's fee interest in the Improvements.

- 19.2. Residential Agreements. Upon the expiration or earlier termination of this Lease, City agrees to assume all Residential Agreements and sublease(s) for the Commercial Space entered into by Tenant in conformity with this Lease. In no event will Tenant be required to evict a Resident who has executed a Residential Agreement in conformity with this Lease at the end of the Term.
- 19.3. Abandoned Property. Any items, including Tenant's Personal Property, not removed by Tenant on the expiration or termination of this Lease will be deemed abandoned. City may retain, store, remove, and sell or otherwise dispose of abandoned Tenant's Personal Property, and Tenant waives all Losses against the City for any damages resulting from the City's retention, removal, and disposition of abandoned Tenant's Personal Property; provided, however, that Tenant will be liable to the City for all costs incurred in storing, removing, and disposing of abandoned Tenant's Personal Property and repairing any damage to the Premises resulting from its removal. City may elect to sell abandoned Tenant's Personal Property and offset against the sales proceeds the City's storage, removal, and disposition costs without notice to Tenant or otherwise according to the procedures set forth in California Civil Code Section 1993 or any other Applicable Legal Requirements, the benefits of which Tenant waives.
- 19.4. Survival. Tenant's obligations under this Article 19 will survive the expiration or earlier termination of this Lease.

20. EQUAL OPPORTUNITY

In the selection of all contractors and professional consultants for any work on the Premises, Tenant will comply with the requirements of Chapter 14B of the San Francisco Administrative Code ("LBE Ordinance") according to the procedures established by the City's Contract Monitoring Division. If federal funds are used by City or Tenant in connection with the Premises, the Premises will be subject to the requirements of Section 3 of the Housing and Community Development Act of 1968 and of the San Francisco Section 3 program as required. Federal Section 3 requirements state that contracts and opportunities for job training and employment be given, to the greatest extent feasible, to local low-income residents. Local residents for the purposes of this Lease are San Francisco residents. In addition, any work on the Premises will be required to comply with hiring requirements as incorporated into the local Section 3 program and in conjunction with the City's low-income hiring requirements pursuant to San Francisco's First Source Hiring Ordinance (San Francisco Administrative Code Chapter 83).

21. NO PERSONAL LIABILITY

No commissioner, official, or employee of the City will be personally liable to Tenant or any successor in interest in the event of any default or breach by the City or for any amount which may become due to Tenant or its successors or on any obligations under the terms of this Lease.

22. WAIVER

The waiver by the City or Tenant of any term, covenant, agreement or condition herein contained will not be deemed to be a waiver of any subsequent breach of the same or any other term, covenant, agreement or condition herein contained, nor will any custom or practice which may grow up between the parties in the administration of the terms hereof be construed to waive or to lessen the right of the City or Tenant to insist upon the performance by the other in strict accordance with the

There are no oral agreements between Tenant and the City affecting this Lease, and this Lease supersedes and cancels any and all previous negotiations, arrangements, agreements and understandings between Tenant and the City with respect to the Agreement of the Premises. 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 or this Lease except as expressly set forth in this Lease.

26. HEADINGS

Any titles of the several parts and sections of this Lease are inserted for convenience of reference only and will be disregarded in construing or interpreting any of its provisions. "Paragraph" and "section" may be used interchangeably.

27. SUCCESSORS AND ASSIGNS

This Lease will be binding upon and inure to the benefit of the successors and assigns of the City and Tenant and where the term "Tenant" or "City" is used in this Lease, it will mean and include their respective successors and assigns; provided, however, that the City will have no obligation under this Lease to, nor will any benefit of this Lease accrue to, any unapproved successor or assign of Tenant where City approval of a successor or assign is required by this Lease.

28. TIME

Time is of the essence in the enforcement of the terms and conditions of this Lease.

29. PARTIAL INVALIDITY

If any provisions of this Lease will be determined to be illegal or unenforceable, such determination will not affect any other provision of this Lease and all such other provisions will remain in full force and effect.

30. APPLICABLE LAW; NO THIRD PARTY BENEFICIARY

This Lease will be governed by and construed pursuant to the laws of the State of California. This Lease is entered into solely among, between, and for the benefit of, and may be enforced only by, the Parties hereto and does not create rights in any other third party.

31. SEVERABILITY

If any provision of this Lease or the application thereof to any person, entity or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such 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 be enforceable to the fullest extent permitted by Applicable Legal Requirements.

32. EXECUTION IN COUNTERPARTS

This Lease and any memorandum hereof may be executed in counterparts, each of which will be considered an original, and all of which will constitute one and the same instrument.

33. AUTHORITY

Tenant hereby represents and warrants that it is a California nonprofit public benefit corporation and has full rights, power and authority to enter into and perform its obligations under this Lease.

34. PREVAILING WAGE AND WORKING CONDITIONS

Any undefined, initially-capitalized term used in this Section has the meaning given to that term in San Francisco Administrative Code Section 23.61. 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 (1) pay workers performing such work not less than the Prevailing Rate of Wages, (2) provide the same hours, working conditions, and benefits as in each case are provided for similar work performed in San Francisco County, and (3) employ Apprentices in accordance with San Francisco Administrative Code Section 23.61 (collectively, “Prevailing Wage Requirements”). Tenant will cooperate with the City in any action or proceeding against a Contractor or Subcontractor that fails to comply with the Prevailing Wage Requirements.

Tenant will include, and will require its subtenants, and Contractors and Subcontractors (regardless of tier) to include, the Prevailing Wage Requirements and the agreement to cooperate in City enforcement actions in any Construction Contract with specific reference to San Francisco Administrative Code Section 23.61. Each such Construction Contract must name the City and County of San Francisco, affected workers, and employee organizations formally representing affected workers as third party beneficiaries for the limited purpose of enforcing the Prevailing Wage Requirements, including the right to file charges and seek penalties against any Contractor or Subcontractor in accordance with San Francisco Administrative Code Section 23.61. 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 the 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, contact the City’s Office of Labor Standards Enforcement.

35. CITY PROVISIONS

35.1. 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.

35.2. Taxes, Assessments, Licenses, Permit Fees, and Liens

35.2.1. 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.

35.2.2. Tenant will pay, or cause to be paid, 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 possession, use, or occupancy of the Premises or any leasehold or 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.

- 35.2.3. 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 protect, defend and indemnify the City against all loss, cost, expense or damage resulting there from, and should Tenant be unsuccessful in any such contest, Tenant will forthwith pay, discharge, or cause to be paid or discharged, such tax, assessment or other similar charge. The City will furnish such information as Tenant will reasonably request in connection with any such contest provided that such information is in City's possession, control or is otherwise available to the public.
- 35.2.4. 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.

35.3. 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 12B.2(a), 12B.2(c)-(k), and 12C.3 of the San Francisco Administrative 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 12B.2(b) of the San Francisco Administrative Code.

(d) CMD Form. As a condition to this Lease, Tenant will execute the "Chapter 12B Declaration: Nondiscrimination in Contracts and Benefits" form (Form CMD-12B-101) with supporting documentation and secure the approval of the form by the San Francisco Contract Monitoring Division. Tenant represents that before execution of this Lease, **(i)** Tenant executed and submitted to the CMD Form CMD-12B-101 with supporting documentation, and **(ii)** the CMD approved the form.

(e) Incorporation of Administrative Code Provisions by Reference. The provisions of Chapters 12B and 12C of the San Francisco Administrative 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 Chapters of the Administrative Code, including the remedies provided in those Chapters. Without limiting the foregoing, Tenant understands that under Section 12B.2(h) of the San Francisco Administrative 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.

35.4. 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 Losses 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.

35.5. 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.

35.6. 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 the Premises 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.

35.7. 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>.

35.8. 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.

35.10. 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.

35.11. Charter Provisions

This Lease is governed by and subject to the provisions of City's Charter and Municipal Code.

35.12. Drug-Free Workplace

Tenant acknowledges that under the Federal Drug-Free Workplace Act of 1989, 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.

35.13. 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.

35.14. 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.

35.15. 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 Administrative Code Chapter 12Q, including the remedies provided, and implementing regulations, as they may be amended from time to time. The provisions of Chapter 12Q 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 Chapter 12Q.

(b) For each Covered Employee, Tenant will provide the appropriate health benefit set forth in Section 12Q.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 12Q.3(e) 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 12Q.5(f)(1-5). 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 Fifty Thousand Dollars (\$50,000), 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.

35.16. 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 Lease, 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.

35.17. Public Access to Meetings and Records.

If Tenant receives a cumulative total per year of at least \$250,000 in City funds or City-administered funds and is a non-profit organization as defined in Chapter 12L of the San Francisco Administrative Code, Tenant will comply with and be bound by all the applicable provisions of that Chapter. By executing this Lease, Tenant agrees to open its meetings and records to the public in the manner set forth in Sections 12L.4 and 12L.5 of the Administrative Code. Tenant further agrees to make good-faith efforts to promote community membership on its Board of Directors in the manner set forth in Section 12L.6 of the Administrative Code. Tenant acknowledges that its material failure to comply with any of the provisions of this paragraph will constitute a material breach of this Lease. Tenant further acknowledges that such material breach of the Agreement will be grounds for City to terminate and/or not renew this Lease, partially or in its entirety.

35.18 Resource Efficient City Buildings

Tenant acknowledges that City has enacted San Francisco Environment Code Sections 700 to 713 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.

35.19. 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.

35.20. 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.

35.21. 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 Administrative Code Chapter 12T (Criminal History in Hiring and Employment Decisions), as

amended from time to time (“**Chapter 12T**”), 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 Chapter 12T 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 Chapter 12T.

(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 Chapter 12T, City will have the right to pursue any rights or remedies available under Chapter 12T 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 Chapter 12T, 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 12T.8.

35.22. Vending Machines; Nutritional Standards

Tenant may not install or permit any vending machine on the Premises without the prior written consent of the HSH Executive Director. 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 29.22 will be a material breach of this Lease. Without limiting City’s other rights and remedies under this Lease, City 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.

35.23. 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.

35.24. 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.

35.25. 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 Administrative Code Chapter 12K. 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 Chapter 12K. Information about Chapter 12K is available on the web at <https://sfgov.org/olse/consideration-salary-history>.

35.26. Local Hire Requirements. 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”). Improvements and Changes (as defined in this Lease) are subject to the Local Hiring Requirements unless the cost for such 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”).

Tenant will include, and will require its subtenants to include, a requirement to comply with the Local Hiring Requirements in any contract for a Covered Project with specific reference to San Francisco Administrative Code Section 23.62. Each contract must 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 the 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 the City to seek the remedies specified in San Francisco Administrative Code Section 23.62 against the breaching party.

35.27 Nondisclosure of Private Information. Tenant will comply fully with and be bound by all of the provisions of Chapter 12M of the San Francisco Administrative Code (the “**Nondisclosure of Private Information Ordinance**”), including the remedies provided. The provisions of the Nondisclosure of Private Information Ordinance are incorporated and made a part of this Lease as though fully set forth. Capitalized terms used in this section and not defined in this Lease have the meanings assigned to those terms in the Nondisclosure of Private Information Ordinance. Consistent with the requirements of the Nondisclosure of Private Information Ordinance, Tenant agrees to all of the following:

a. Neither Tenant nor any of its subcontractors will disclose Private Information, unless one of the following is true:

The disclosure is authorized by this Lease;

Tenant received advance written approval from the Contracting Department to disclose the information; or

The disclosure is required by law or judicial order.

b. Any disclosure or use of Private Information authorized by this Lease must be in accordance with any conditions or restrictions stated in this Lease. Any disclosure or use of Private Information authorized by a Contracting Department must be in accordance with any conditions or restrictions stated in the approval.

c. Private Information means any information that: (1) could be used to identify an individual, including, without limitation, name, address, social security number, medical information, financial information, date and location of birth, and names of relatives; or (2) the law forbids any person from disclosing.

d. Any failure of Tenant to comply with the Nondisclosure of Private Information Ordinance will be a material breach of this Lease. In such an event, in addition to any other remedies available to it under equity or law, City may terminate this Lease, debar Tenant, or bring a false claim action against Tenant.

35.28 Graffiti. Graffiti is detrimental to the health, safety, and welfare of the community in that it promotes a perception in the community that the laws protecting public and private property can be disregarded with impunity. This perception fosters a sense of disrespect of the law that results in an increase in crime; degrades the community and leads to urban blight; is detrimental to property values, business opportunities, and the enjoyment of life; is inconsistent with City's property maintenance goals and aesthetic standards; and results in additional graffiti and in other properties becoming the target of graffiti unless it is quickly removed from public and private property. Graffiti results in visual pollution and is a public nuisance. Graffiti must be abated as quickly as possible to avoid detrimental impacts on the City and County and its residents, and to prevent the further spread of graffiti.

Tenant will remove all graffiti from the Premises and any real property owned or leased by Tenant in the City and County of San Francisco within forty-eight (48) hours of the earlier of Tenant's (a) discovery or notification of the graffiti or (b) receipt of notification of the graffiti from the Department of Public Works. This section is not intended to require Tenant to breach any lease or other agreement that it

may have concerning its use of the real property. The term “graffiti” means any inscription, word, figure, marking or design that is affixed, marked, etched, scratched, drawn, or painted on any building, structure, fixture, or other improvement, whether permanent or temporary, including by way of example only and without limitation, signs, banners, billboards, and fencing surrounding construction Premises, whether public or private, without the consent of the owner of the property or the owner's authorized agent, and which is visible from the public right-of-way. “Graffiti” does not include: (1) any sign or banner that is authorized by, and in compliance with, the applicable requirements of the San Francisco Public Works Code, the San Francisco Planning Code or the San Francisco Building Code; or (2) any mural or other painting or marking on the property that is protected as a work of fine art under the California Art Preservation Act (California Civil Code section 987 *et seq.*) or as a work of visual art under the Federal Visual Artists Rights Act of 1990 (17 U.S.C. §§ 101 *et seq.*). Any failure of Tenant to comply with this section of this Lease will constitute an event of default of this Lease.

35.29 Sugar-Sweetened Beverage Prohibition. Tenant 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.

35.30 Possessory Interest Reporting.

Tenant recognizes and understands that this Lease may create a possessory interest subject to property taxation and that Tenant may be subject to the payment of property taxes levied on such interest. 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. Tenant will also timely provide any information that City may request to ensure compliance with this or any other reporting requirement.

35.31. San Francisco Packaged Water Ordinance.

Tenant will comply with San Francisco Environment Code Chapter 24 (“**Chapter 24**”). Tenant will 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 the City’s Department of the Environment. If Tenant violates this requirement, the City may exercise all remedies in this Lease and the Director of the City’s Department of the Environment may impose administrative fines as set forth in Chapter 24.

35.32 San Francisco Labor and Employment Code.

As of January 4, 2024, San Francisco Administrative Code Chapters 21C (Miscellaneous Prevailing Wage Requirements), 12B (Nondiscrimination in Contracts), 12C (Nondiscrimination in Property Contracts), 12K (Salary History), 12P (Minimum Compensation), 12Q (Health Care Accountability), 12T (City Contractor/Subcontractor Consideration of Criminal History in Hiring and Employment Decisions), and 12U (Sweatfree Contracting) are redesignated as Articles 102 (Miscellaneous Prevailing Wage Requirements), 131 (Nondiscrimination in Contracts), 132 (Nondiscrimination in Property Contracts), 141 (Salary History), 111 (Minimum Compensation), 121 (Health Care Accountability), 142 (City Contractor/Subcontractor Consideration of Criminal History in Hiring and Employment Decisions), and 151 (Sweatfree Contracting) of the San Francisco Labor and Employment Code, respectively. Wherever this Lease refers to San Francisco Administrative Code Chapters 21C, 12B, 12C, 12K, 12P, 12Q, 12T, and 12U, it shall be construed to mean San Francisco Labor and Employment Code Articles 102, 131, 132, 141, 111, 121, 142, and 151, respectively.

36. AMENDMENTS

Neither this Lease nor any terms or provisions hereof 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. No waiver of any breach will affect or alter this Lease, but each and every term, covenant, and condition of this Lease will continue in full force and effect with respect to any other then-existing or subsequent breach thereof. Any amendments or modifications to this Lease, including, without limitation, amendments to or modifications to the exhibits to this Lease, will be subject to the mutual written agreement of City and Tenant, and City's agreement may be made upon the sole approval of the City's HSH Executive Director and Director of Property, or his or her designee; provided, however, material amendments, or modifications to this Lease (a) changing the legal description of the Premises, (b) increasing the Term, (c) decreasing the rent, (d) changing the general use of the Premises from the use authorized under this Lease, and (e) any other amendment or modification which materially increases the City's liabilities or financial obligations under this Lease, will additionally require the approval of the City's Board of Supervisors.

37. MEMORANDUM OF LEASE

This Lease may not be recorded, but a memorandum of this Lease will be recorded in the form attached hereto as Exhibit B ("**Memorandum of Lease**") in the Official Records. The Parties will execute the Memorandum of Lease in form and substance as required by a title insurance company insuring Tenant's leasehold estate or the interest of any leasehold mortgagee, if applicable, and sufficient to give constructive notice of this Lease to subsequent purchasers and mortgagees.

38. SURVIVAL

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

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 follow]

IN WITNESS WHEREOF, City and Tenant have executed this Lease as of the date first written above.

CITY:

CITY AND COUNTY OF SAN FRANCISCO,
a municipal corporation

By: _____
Andrico Q. Penick
Director of Property

Recommended by:

By: _____
Shireen McSpadden
Executive Director
Department of Homelessness and Supportive Housing

APPROVED AS TO FORM:

DAVID CHIU
City Attorney

By: _____
JESSICA ALFARO-CASSELLA
Deputy City Attorney

TENANT:

ABODE PROPERTY MANAGEMENT,
a California nonprofit public benefit corporation

By: _____
Name: Louis Chicoine
Title: Chief Executive Officer

EXHIBIT A

Legal Description of the Site

All that certain real property located in the City and County of San Francisco, State of California, described as follows:

ALL THAT CERTAIN REAL PROPERTY AS SHOWN ON THAT CERTAIN MAP ENTITLED, "PARCEL MAP 9708, A THREE PARCEL VERTICAL SUBDIVISION", BEING A SUBDIVISION OF LOT 291, ASSESSOR'S BLOCK 3730, SAN FRANCISCO, CALIFORNIA", FILED DECEMBER 27, 2019, IN THE OFFICE OF THE RECORDER OF THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA, IN BOOK 50 OF PARCEL MAPS, AT PAGES 31-34, INCLUSIVE.

APN: LOT 408, BLOCK 3730, LOT 409, BLOCK 3730, LOT 410, BLOCK 3730, FORMERLY A PORTION OF LOT 291, BLOCK 3730

EXHIBIT B

Memorandum of Lease

Free Recording Requested under
Government Code Section 27383

When recorded, mail to:

Real Estate Division
City and County of San Francisco
25 Van Ness Avenue, Suite 400
San Francisco, California 94102
Attn: Director of Property

MEMORANDUM OF GROUND LEASE

This Memorandum of Ground Lease (“**Memorandum**”) is entered into as of October 1, 2024, by and between the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation (the “**City**”), acting by and through its Real Estate Division and the Department of Homelessness and Supportive Housing, and ABODE PROPERTY MANAGEMENT, a California nonprofit public benefit corporation, as tenant (“**Tenant**”), with respect to that certain Lease (the “**Lease**”) dated October 1, 2024, between the City and Tenant.

Under the Lease, City hereby leases to Tenant and Tenant leases from City the real property more particularly described in Exhibit A attached hereto and incorporated herein by this reference (the “**Property**”). The Lease will commence on the date set forth above and will end on the date that is five (5) years from the date set forth above, subject to ten (10) 5-year options to extend, unless terminated earlier or extended pursuant to the terms of the Lease.

It is the intent of the parties to the Lease that the Lease creates a constructive notice of severance of the Improvements (as defined in the Lease), without the necessity of a deed from Lessor to Lessee, which Improvements are and will remain real property.

This Memorandum incorporates herein all of the terms and provisions of the Lease as though fully set forth herein.

This Memorandum is solely for recording purposes and will not be construed to alter, modify, amend, or supplement the Lease, of which this is a memorandum.

This Memorandum may be signed by the parties hereto in counterparts with the same effect as if the signatures to each counterpart were upon a single instrument. All counterparts will be deemed an original of this Memorandum.

Notwithstanding any statement on the face of this Memorandum or on any attachment to the Memorandum of the amount of documentary transfer tax due in connection with the Lease,

City's signature on this Memorandum does not constitute the City Assessor Recorder's agreement that the real property transfer tax due is that amount.

Executed as of _____, 20__ in San Francisco, California.

TENANT:

ABODE PROPERTY MANAGEMENT,
a California nonprofit public benefit corporation

By: _____
Name: Louis Chicoine
Title: Chief Executive Officer

CITY:

CITY AND COUNTY OF SAN FRANCISCO,
a municipal corporation

By: _____
Andrico Q. Penick
Director of Property

By: _____
Shireen McSpadden
Executive Director
Department of Homelessness and Supportive Housing

APPROVED AS TO FORM:

DAVID CHIU, City Attorney

By: _____
JESSICA ALFARO-CASSELLA
Deputy City Attorney

EXHIBIT C

Assignment of Contracts and Warranties

THIS ASSIGNMENT is made and entered into as of this ____ day of _____, 2024, by and between the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation ("Assignor"), and _____, a _____ ("Assignee").

FOR GOOD AND VALUABLE CONSIDERATION, the receipt of which is hereby acknowledged, effective as of the date hereof, Assignor hereby assigns and transfers to Assignee all of Assignor's right, title, claim and interest in and under:

- A. the contracts listed in the attached Schedule 1 (the "Contracts"); and
- B. all warranties and guaranties made by or received from any third party with respect to any building, building component, structure, system, fixture, machinery, equipment, or material situated on, contained in any building or other improvement situated on, or comprising a part of any building or other improvement situated on, any part of that certain real property described in Exhibit A attached hereto including, without limitation, those warranties and guaranties listed in Schedule 2 attached hereto (collectively, "Warranties").

ASSIGNOR AND ASSIGNEE FURTHER HEREBY AGREE AND COVENANT AS FOLLOWS:

1. Assignor hereby agrees to indemnify Assignee against and hold Assignee harmless from any and all costs, liabilities, losses, damages or expenses (including, without limitation, reasonable attorneys' fees), originating prior to the date hereof and arising out of the owner's obligations under the Contracts.
2. Effective as of the date hereof, Assignee hereby assumes all of the owner's obligations under the Contracts and agrees to indemnify Assignor against and hold Assignor harmless from any and all costs, liabilities, losses, damages or expenses (including, without limitation, reasonable attorneys' fees), originating on or subsequent to the date hereof and arising out of the owner's obligations under the Contracts.
3. In the event of any litigation between Assignor and Assignee arising out of this Assignment, the losing party shall pay the prevailing party's costs and expenses of such litigation, including, without limitation, attorneys' fees.
4. This Assignment shall be binding on and inure to the benefit of the parties hereto, their heirs, executors, administrators, successors in interest and assigns.
5. This Assignment shall be governed by and construed in accordance with the laws of the State of California.
6. This Assignment may be executed in two (2) or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

[SIGNATURES ON FOLLOWING PAGE]

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

ASSIGNOR:

CITY AND COUNTY OF SAN FRANCISCO,
a municipal corporation

By: _____
Andrico Q. Penick
Director of Property

APPROVED AS TO FORM:

DAVID CHIU, City Attorney

By: _____
JESSICA ALFARO-CASSELLA
Deputy City Attorney

ASSIGNEE:

ABODE PROPERTY MANAGEMENT,
a California nonprofit public benefit corporation

By: _____
Name: Louis Chicoine
Title: Chief Executive Officer

Schedule 1

List of Contracts

- 1. Fire alarm system inspection, monitoring, and services by and between Pyro-Comm Systems, Inc as of January 4, 2021.**
- 2. Laundry equipment and maintenance by and between WASH Laundry as of March 8, 2021.**
- 3. Elevator maintenance by and between ThyssenKrupp Elevator Corporation as of March 18, 2021.**

Schedule 2

List of Warranties

None

EXHIBIT D

Assignment of Leases

THIS ASSIGNMENT is made and entered into as of this ____ day of _____, 2024, by and between the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation ("**Assignor**"), and _____, a _____ ("**Assignee**").

FOR GOOD AND VALUABLE CONSIDERATION, the receipt of which is hereby acknowledged, effective as of the date hereof, Assignor hereby assigns and transfers to Assignee all of Assignor's right, title, claim and interest in and under certain leases executed with respect to that certain real property commonly known as 1174-1178 Folsom Street and 663 Clementina Street, San Francisco (the "**Property**") as more fully described in Schedule 1 attached hereto (collectively, the "**Leases**"). Initially capitalized terms used but not defined in this Assignment have the meanings given to them in the Purchase Agreement.

ASSIGNOR AND ASSIGNEE FURTHER HEREBY AGREE AND COVENANT AS FOLLOWS:

1. Assignor represents and warrants that, as of the date of this Assignment, the attached Schedule 1 includes all of the Leases and occupancy agreements affecting any of the Property. As of the date hereof, there are no assignments of or agreements to assign the Leases to any other party.
2. Assignor hereby agrees to indemnify Assignee against and hold Assignee harmless from any and all costs, liabilities, losses, damages or expenses (including, without limitation, reasonable attorneys' fees), originating prior to the date hereof and arising out of the landlord's obligations under the Leases.
3. Effective as of the date hereof, Assignee hereby assumes all of the landlord's obligations under the Leases and agrees to indemnify Assignor against and hold Assignor harmless from any and all costs, liabilities, losses, damages or expenses (including, without limitation, reasonable attorneys' fees), originating on or subsequent to the date hereof and arising out of the landlord's obligations under the Leases.
4. This Assignment will be binding on and inure to the benefit of the parties hereto, their heirs, executors, administrators, successors in interest and assigns.
5. This Assignment is governed by and will be construed in accordance with the laws of the State of California.
6. This Assignment may be executed in two (2) or more counterparts, each of which will be deemed an original, but all of which taken together will constitute one and the same instrument.

[SIGNATURES ON FOLLOWING PAGE]

Assignor and Assignee have executed this Assignment as of the day and year first written above.

ASSIGNOR:

CITY AND COUNTY OF SAN FRANCISCO,
a municipal corporation

By: _____
Andrico Q. Penick
Director of Property

APPROVED AS TO FORM:

DAVID CHIU, City Attorney

By: _____
JESSICA ALFARO-CASSELLA
Deputy City Attorney

ASSIGNEE:

ABODE PROPERTY MANAGEMENT,
a California nonprofit public benefit corporation

By: _____
Name: Louis Chicoine
Title: Chief Executive Officer

Its: _____

Schedule 1

Leases

1. Bay of Burma Standard Retail Lease dated as of October 14, 2021