

File No. 241140

Committee Item No. 26

Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget and Finance Committee Date December 4, 2024

Board of Supervisors Meeting Date _____

Cmte Board

- Motion
- Resolution
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- Legislative Digest
- Budget and Legislative Analyst Report
- Youth Commission Report
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- MOU
- Grant Information Form
- Grant Budget
- Subcontract Budget
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- Form 126 – Ethics Commission
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- Application
- Public Correspondence

OTHER (Use back side if additional space is needed)

- Original Lease 12/19/1994
- Amendment No. 1 10/27/2010
- Amendment No. 2 6/25/2018
- _____
- _____
- _____
- _____
- _____
- _____
- _____
- _____

Completed by: Brent Jalipa Date November 26, 2024

Completed by: Brent Jalipa Date _____

1 [Real Property Lease - MacLean Properties, LLC and 101 New Montgomery Street LP - 101
2 New Montgomery Street also known as 617 Mission Street - \$580,020 Initial Annual Base
3 Rent]

3

4 **Resolution approving and authorizing the Director of Property, on behalf of the**
5 **Department of Child Support Services, to lease real property comprising of 15,445**
6 **rentable square feet and 2,000 square feet of storage space located at 101 New**
7 **Montgomery Street also known as 617 Mission Street from MacLean Properties, LLC**
8 **and 101 New Montgomery Street LP, for an initial seven-year term, commencing**
9 **January 1, 2025, through December 31, 2032, at an initial annual base rent of \$580,020**
10 **with annual rent increases of three percent, plus a five-year option to extend; and to**
11 **authorize the Director of Property to enter into amendments or modifications to the**
12 **Lease that do not materially increase the obligations or liabilities to the City and are**
13 **necessary to effectuate the purposes of the Lease or this Resolution.**

14

15 WHEREAS, The Department of Child Support Services (“SFDCSS”) promotes the
16 well-being of San Francisco children by establishing and then delivering child support
17 collection services that help both parents meet the financial, medical and emotional needs of
18 their children; and

19 WHEREAS, Through the collection and distribution of funds, SFDCSS achieves cost
20 savings to taxpayers by reducing family dependency on public assistance; and

21 WHEREAS, SFDCSS also improves the quality of life for affected San Francisco
22 children who are not on assistance; and

23 WHEREAS, SFDCSS in Fiscal Year (FY) 2022-2023 served 7,999 child support cases
24 representing 7,033 children; and

25

1 WHEREAS, SFDCSS IN FY2022-2023 distributed approximately \$22,419,130.60 with
2 over 93% of every dollar going directly to families; and

3 WHEREAS, SFDCSS has occupied the premises located at 101 New Montgomery
4 Street also known as 617 Mission Street (“Leased Premises”) consisting of certain portions of
5 the first and second floors and the basement for storage pursuant to that certain Lease dated
6 as of March 1,1995 (the “Original Lease”); and

7 WHEREAS, The current premises meets Federal and State regulations and the
8 operational needs of SFDCSS; and

9 WHEREAS, The Original Lease will expire on December 31, 2024; and

10 WHEREAS, The Original Lease, as last extended by Board Resolution No. 204-18
11 expires on December 31, 2024; and

12 WHEREAS, The Real Estate Division (“RED”), in consultation with SFDCSS and the
13 Office of the City Attorney, negotiated a proposed new lease for an initial term of seven
14 years, commencing January 1, 2025, with a new base year for operating expenses of 2025
15 (the “Lease”); and

16 WHEREAS, The Lease provides a further option to extend the term for another five
17 years from January 1, 2033, until December 31, 2038, at 95% of fair market rental; and

18 WHEREAS, The current annual rent under the Original Lease, as extended, is
19 \$1,903,888 or \$56.00/per square foot per year; and

20 WHEREAS, The annual rent under the Lease effective January 1, 2025, will be
21 \$580,020 or \$36.00 per square foot per year; and

22 WHEREAS, The monthly rent per square foot is under \$45.00 per square foot and
23 therefore does not require an appraisal per Administrative, Chapter 23; and

24
25

1 WHEREAS, SFDCSS’s annual operational budget is 100% funded through the
2 California Department of Child Support Services and does not impact the General Fund of
3 the City and County of San Francisco; and

4 WHEREAS, During the current term SFDCSS has consolidated and reduced its
5 operations to 15,445 rentable square feet plus 2,000 square foot of storage space; now
6 therefore, be it

7 RESOLVED, That in accordance with the recommendation of the Director of
8 Department of Child Support Services and the Director of Property, that the Director of
9 Property is hereby authorized on behalf of the City and County of San Francisco as Tenant, to
10 execute the Lease (a copy of which is on file with the Clerk of the Board in File No. 241140) at
11 101 New Montgomery Street/617 Mission Street with MacLean Properties, LLC and 101 New
12 Montgomery Street LP, collectively the Landlord, for the premises comprising an area of
13 15,445 square foot on the first and second floor plus basement storage space of 2,000 square
14 foot; and, be it

15 FURTHER RESOLVED, The Lease shall commence on January 1, 2025, and expire
16 on December 31, 2032; and, be it

17 FURTHER RESOLVED, That the base rent will be \$580,020 per month
18 (approximately \$36 per square foot per year) and City shall continue to be responsible for
19 City’s percentage share of increases of operating expenses and real estate taxes above a
20 new 2025 base year and its separately metered electrical costs; and, be it

21 FURTHER RESOLVED, That City agrees to indemnify, defend and hold harmless
22 Landlord and its agents from and against any and all claims, costs and expenses, including,
23 without limitation, reasonable attorneys’ fees, incurred as a result of (a) City’s use or
24 occupancy of the premises, or (b) any negligent acts or omissions of City or its agents or
25 invitees, in, on or about the premises or the property; provided, however, City will not be

1 obligated to indemnify Landlord or its agents to the extent any claim arises out of the
2 negligence or willful misconduct of Landlord or its agents; and, be it

3 FURTHER RESOLVED, That any action taken by the Director of Property and any
4 other officers of the City with respect to this Lease is hereby approved, confirmed and ratified;
5 and, be it

6 FURTHER RESOLVED, That the Board of Supervisors authorizes the Director of
7 Property to enter into any amendments or modifications to the Lease (including, without
8 limitation, the exhibits) that the Director of Property determines, in consultation with the City
9 Attorney, are in the best interest of the of the City, do not increase the rent or otherwise
10 materially increase the obligations or liabilities of the City, are necessary or advisable to
11 effectuate the purposes of the Lease or this Resolution, and are in compliance with all
12 applicable laws, including City's Charter; and, be it

13 FURTHER RESOLVED, City shall occupy said premises for the entire Lease term
14 expiring on December 31, 2032, unless funds for rental payments are not appropriated in any
15 subsequent fiscal year, at which time City may terminate this Lease with written notice to
16 Landlord, pursuant to Charter, Section 3.105 of the City and County of San Francisco; and, be
17 it

18 FURTHER RESOLVED, That within thirty (30) days of the agreement being fully
19 executed by all parties, the Director of Real Estate shall provide the agreement to the Clerk of
20 the Board for inclusion into the official file.

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Available: \$290,010

Fund ID:	11300
Department ID:	229264
Project /	10001654
Activity ID:	001
Authority ID:	10000
Account ID:	530110

/s/

Michelle Allersma, Budget and Analysis
Division Director on behalf of
Greg Wagner, Controller

Funding for Fiscal Year 2024/2025 is
subject to the enactment of the Annual
Appropriation Ordinance for Fiscal Year
2024/2025

RECOMMENDED:

/s/

Karen Roye
Department of Child Support Services
Director

/s/

Andrico Q. Penick
Real Estate Division
Director of Property

Item 26 File 24-1140	Department: Real Estate Division (RED)
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EXECUTIVE SUMMARY

Legislative Objectives

- The proposed resolution would authorize the Director of Property to execute a lease with MacLean Properties, LLC and 101 New Montgomery Street LP, as landlord for approximately 15,445 square feet of office space and 2,000 square feet of storage space at 101 New Montgomery Street (also known as 617 Mission Street), for a seven-year term from January 1, 2025 through December 31, 2032, with one five-year extension option. The initial annual base rent would be \$580,020 with three percent annual escalation.

Key Points

- The San Francisco Department of Child Support Services (DCSS) has leased office space at 101 New Montgomery Street since 1995. DCSS manages their state-funded child support program at the location. The current lease is for 33,988 square feet with rent of \$1,903,888 per year (\$158,657 per month or approximately \$56 per square foot per year) and is expiring on December 31, 2024 (File 18-0477).
- The proposed new lease for the premises has been reduced from 33,988 square feet to 15,445 square feet of office space plus 2,000 square feet of storage space because DCSS has consolidated their offices and reduced its operations during the current lease term. 60 FTE staff from DCSS will occupy the first and second floors of the premises.

Fiscal Impact

- The proposed lease would have an initial annual rent of \$580,020 (\$36 per square foot for 15,445 square feet of office space and \$12 per square foot for 2,000 square feet of basement storage space), with three percent annual escalation. This is a decrease of \$20 per square foot per year, or approximately 36 percent, for office space in comparison to the rent under the current lease, which is approximately \$56 per square foot per year.
- The base rent of the proposed lease is at or below the fair market value in the area, as determined by comps based on building square footage, location, and building class. An appraisal was not required under Administrative Code Section 23.27 because the proposed rent is less than \$45 per square foot.
- Over the seven-year term of the lease, DCSS would pay \$4,444,381 in total rent. If an option to extend the term is exercised, the rent for the extended term would be set at 95 percent of appraised fair market rent at that time.
- Costs would be fully funded by the California Department of Child Support Services (CDCSS).

Recommendation

- Approve the proposed resolution.

MANDATE STATEMENT

City Administrative Code Section 23.27 states that any lease with a term of one year or longer and where the City is the tenant is subject to Board of Supervisors approval by resolution.

BACKGROUND

The San Francisco Department of Child Support Services (DCSS) has leased office space at 101 New Montgomery Street (also known as 617 Mission Street) since 1995. The current lease is for 33,988 square feet with rent of \$1,903,888 per year (\$158,657 per month or approximately \$56 per square foot per year) and is expiring on December 31, 2024 (File 18-0477). DCSS manages their state-funded child support program at the location and has consolidated their offices and reduced its operations¹ during the current lease term. In addition, the Department of Public Health's IT staff, which shared the premises with DCSS, has moved out of the building. Consequently, the proposed new lease for the premises has been reduced from 33,988 square feet to 15,445 square feet of office space plus 2,000 square feet of storage space.

DETAILS OF PROPOSED LEGISLATION

The proposed resolution would authorize the Director of Property, on behalf of DCSS, to execute a lease with MacLean Properties, LLC and 101 New Montgomery Street LP, as landlord for approximately 15,445 square feet of office space and 2,000 square feet of storage space at 101 New Montgomery Street (also known as 617 Mission Street), for a seven-year term from January 1, 2025 through December 31, 2032, with one five-year extension option. The initial annual base rent would be \$580,020 with three percent annual escalation. The proposed resolution would also authorize the Director of Property to make further immaterial amendments to the lease.

The key terms of the proposed lease are shown in Exhibit 1 below.

¹ According to RED, this was primarily driven by the need to support increased costs of salary and fringe benefits, as well as a reduction in staffing levels because of attrition and a decrease in caseload.

Exhibit 1: Key Terms of Proposed Lease

Premises	15,445 square feet on floors 1 (5,296 square feet) and 2 (10,149 square feet), as well as 2,000 square feet of basement storage space
Term	7 years, from January 2025 through December 2032
Options to Extend	One 5-year option to extend through December 2037 Rent reset to 95% market value.
Annual Base Rent	\$580,020 (\$36 per square foot for 15,445 square feet of office space and \$12 per square foot for 2,000 square feet of basement storage space)
Rent Escalation	3% annually
Tenant Improvement Allowance	Landlord will pay \$5 per square foot towards tenant improvements, up to a maximum of \$77,225. Improvements will likely be used for paint and carpet in the lobby area.
Utilities	Landlord pays all utilities except for electricity. Separately metered electricity estimated to cost on average \$3,081 per month
Operating Costs	City pays percentage share of increase in operating costs over base year (2025). Operating costs include heat, water, HVAC, janitorial services, and security.
City’s Percentage Share	25.66%

Source: Proposed Lease

The proposed draft lease in the legislative file states that the building address is 109 New Montgomery; however, this is an error. The proposed resolution correctly states that the building address is 101 New Montgomery. According to RED, the fully executed lease will be revised to reflect the correct building address.

Building Usage

According to RED, 60 FTE staff from DCSS will occupy the first and second floors of the premises. In FY 2022-23, DCSS served 7,999 child support cases representing 7,033 children.

FISCAL IMPACT

The proposed lease would have an initial annual rent of \$580,020 (\$36 per square foot for 15,445 square feet of office space and \$12 per square foot for 2,000 square feet of basement storage space), with three percent annual escalation. This is a decrease of \$20 per square foot per year, or approximately 36 percent, for office space in comparison to the rent under the current lease, which is approximately \$56 per square foot per year. According to RED, the initial base rent of the proposed lease is at or below the fair market value in the area, as determined by comps based on building square footage, location, and building class. An appraisal was not required under Administrative Code Section 23.27 because the proposed rent is less than \$45 per square foot. Over the seven-year term of the lease, DCSS would pay \$4,444,381 in total rent. If an option to extend the term is exercised, the rent for the extended term would be set at 95 percent of appraised fair market rent at that time.

Under the lease, DCSS would pay its percentage share (25.66 percent) of the increase in the building's operating expenses over the base year. The base year would be calendar year 2025, so DCSS would begin paying operating costs in 2026. RED estimates the projected monthly operating costs would be approximately \$612. DCSS would also pay electrical costs, which RED estimates would cost on average approximately \$3,081 per month.

Costs would be fully funded by the California Department of Child Support Services (CDCSS).

RECOMMENDATION

Approve the proposed resolution.

OFFICE LEASE

between

MACLEAN PROPERTIES LLC AND 101 NEW MONTGOMERY STREET LP,
as Landlord

and

CITY AND COUNTY OF SAN FRANCISCO,
as Tenant

For the lease of
A portion of 109 New Montgomery Street,
also known as 617 Mission Street,
San Francisco, California

October 30, 2024

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LIST OF EXHIBITS AND SCHEDULES

- EXHIBIT A — Floor Plan(s) of Premises
- EXHIBIT B — Notice of Commencement Date
- EXHIBIT C — Rules and Regulations
- EXHIBIT D — Standards for Utilities and Services
- EXHIBIT E — Standards for Janitorial Service
- EXHIBIT F — Standards for Security Service
- EXHIBIT G — Not Applicable
- EXHIBIT H — Not Applicable
- EXHIBIT I ---- 2023 Operating Costs

OFFICE LEASE

THIS OFFICE LEASE (this “**Lease**”), dated for reference purposes only as of October 30, 2024, is by and between 101 NEW MONTGOMERY STREET, LP, a Delaware limited partnership, and MACLEAN PROPERTIES LLC, a Delaware limited liability company, (together, “**Landlord**”), and the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation (“**City**” or “**Tenant**”), pursuant to San Francisco Board of Supervisors Resolution No. ____, adopted by the Board Supervisors on ____2024.

RECITALS

A. City and Landlord entered into that certain Office Lease, dated as of December 19, 1994, as extended pursuant to letters of extension, dated as of February 11, 2002, and April 30, 2007, respectively, and amended pursuant to that certain First Amendment to Lease, dated as of October 27, 2010, as further extended by letter of extension, dated March 4, 2014, and further amended by that certain Second Amendment to Lease, dated as of June 25, 2018 (collectively, the “**Original Lease**”) for City’s lease of the Premises at the Building (as such terms are defined herein).

B. The Original Lease will expire by its terms on December 31, 2024, and City desires to continue leasing the Premises from the Landlord and Landlord desires to continue to lease to the City.

C. In furtherance of the foregoing, the parties now desire to enter into this Lease subject to the terms and conditions contained in this Lease and hereby agree as follows:

1. BASIC LEASE INFORMATION

The following is a summary of basic lease information (the “**Basic Lease Information**”). Each item below is deemed to incorporate all of the terms in this Lease pertaining to that item. If there is any conflict between the information in this Section and any more specific provision of this Lease, the more specific provision will control.

Lease Reference Date:	October 30, 2024
Landlord:	101 New Montgomery Street LP and MacLean Properties LLC
Tenant:	CITY AND COUNTY OF SAN FRANCISCO
Building (<u>Section 2.1</u>):	109 New Montgomery Street also known as 617 Mission Street, San Francisco, California
Premises (<u>Section 2.1</u>):	Those certain portions of the basement, first floor and second floor as shown on Exhibit A ; exclusive right to use entrance, lobby area, and elevator on first floor Minna Entrance (Section 2.2).
Rentable Area of Premises (<u>Section 2.1</u>):	Approximately 15,445 rentable square feet on first (5,296 sq. ft.) and second (10,149 sq. ft.)

floors, and certain basement storage space (2,000 sq. ft)

Term (Section 3): Estimated commencement date:
January 1, 2025

Expiration date:
December 31, 2032

Extension Option(s) (Section 3.4): One additional term of five (5) years, exercisable by City by notice to Landlord given not less than 365 days in advance, with rent determined by appraisal and at 95% of the then fair market rental value but no less than the then current base rent as provided in Section 4.3

Base Rent (Section 4.1): Annual Base Rent: \$580,020
Office (15,445 sq. ft.): \$556,020 (\$36.00 per sq. ft.)
Basement Storage (2,000 sq. ft.): \$24,000 (\$12.00 per sq. ft.)
Total Monthly payments: \$48,335.

Base Rent Adjustment; Annual three percent (3%) adjustment

Adjustment Dates (Section 4.2): January 1st

Base Year (Section 0): 2025

City's Percentage Share (Section 4.4): 25.66%

Use (Section 5.1): Office

Leasehold Improvements (Section 6): Landlord will pay \$5.00 per square foot towards tenant improvements (up to \$77,225) (likely to be used toward paint and carpet in the lobby area)

Utilities (Section 9.1): Landlord pays all utilities net electricity; City pays electricity on separate meter

Services (Section 9.2): Landlord provides and pays services

Notice Address of Landlord (Section 24.1): Edward J. Conner
27 Maiden Lane, Suite 250
San Francisco, CA 94108
Email: ejc@conneroffice.com

Landlord’s Key Contact: Edward J. Conner

Landlord Contact Telephone No.: 415-392-1072

Tenant’s Notice Address (Section 24.1): Real Estate Division
25 Van Ness Avenue, Suite 400
San Francisco, California 94102
Attn: Director of Property
Re: CSS – 109 Montgomery also
known as 617 Mission

with a copy to: Director – Dept of Child Support Services
Karen Roye
617 Mission Street
San Francisco, CA 94105
Email: karen.roye@sfgov.org

and to: Office of the City Attorney
City Hall, Room 234
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4682
Attn: Real Estate & Finance Team
Re: **CSS- 617 Mission Street**
Fax No.: (415) 554-4757

Tenant’s Key Contact: Karen M. Roye

Tenant Contact Telephone No.: Karen.roye@sfgov.org
415/356-2919

Tenant’s Alternate Contact: Serene Chu

Alternate Contact Telephone No.: 415/356-2959

Brokers (Section 24.8): None

2. PREMISES

2.1 Lease Premises

Landlord leases to City and City leases from Landlord, subject to the provisions of this Lease, those premises in the building identified in the Basic Lease Information (the “**Building**”) and shown on the floor plan(s) attached as Exhibit A (the “**Premises**”). The Premises contain the rentable area and are located on the floor(s) of the Building specified in the Basic Lease Information. As used in this Lease, the term “**rentable area**” means that measurement of interior floor area computed in accordance with the “Office Buildings: Standard Methods of Measurements” (ANSI/BOMA Z65.1-2017) Method A, adopted by the Building Owners and Managers Association (the “**BOMA Standard**”). The Building, the land on which the Building

is located, and all other improvements on or appurtenances to the land are referred to collectively as the “**Property.**”

2.2 Common Areas

City has the exclusive right to use the Mission (formerly Minna) Street (rear) entrance to the Building, together with the lobby area and elevators (for the purpose of accessing the second floor only) servicing such entrance (the “**Exclusive Common Areas**”). City also has the non-exclusive right to use, together with any other tenants in the Building, the lobbies, corridors, elevators, stairways, and other public areas of the Building and the Property (collectively, the “**Common Areas**”), and the non-exclusive right of access to and from the Premises by the main entrances to the Building and the Property; provided, however, that customer access to the Department of Child Support Services shall be exclusively through the direct entrance to the Premises on Mission Street.

2.3 Condition of the Premises on Delivery

City is currently in possession of the Premises. Landlord will deliver the Premises to City water tight, with all Building Systems (as defined in Section 8.1 (Landlord’s Repairs)) in good working order, condition, and repair, and all other systems in and serving the Premises in good working order, condition, and repair, and the Premises, (the Building, and the Common Areas in compliance with all applicable Laws, as provided in Section 10.1 (Landlord’s Compliance with Laws; Premises Condition; Indemnity). Landlord’s foregoing delivery requirement shall not apply to matters for which Tenant has previously been responsible.

2.4 Disability Access

California Civil Code Section 1938 requires commercial landlords to disclose to tenants whether the property being leased has undergone inspection by a Certified Access Specialist (“**CASp**”) to determine whether the property meets all applicable construction-related accessibility requirements.

Landlord discloses (i) Landlord has not been issued a disability access inspection certificate as described in California Civil Code (“**CC**”) Section 55.53(e), (ii) pursuant to CC Section 1938, that Landlord has not ordered, performed, or caused to be performed, a Certified Access Specialist (“**CASp**”) inspection of the Premises (sometimes referred to as “premises” or “subject premises” for the herein disclosures), and (iii) Landlord makes the following statutory disclosure per CC Section 1938 (the required “**CASp Disclosure**”):

“A Certified Access Specialist (CASp) can inspect the subject premises and determine whether the subject premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the subject premises, the commercial property owner or lessor may not prohibit the lessee or tenant from obtaining a CASp inspection of the subject premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the premises.”

In furtherance of the foregoing, the parties agree that (i) if Tenant elects to perform a CASp inspection, Tenant will provide written notice to Landlord, and Landlord may elect, in Landlord’s sole discretion, to retain a CASp to perform the inspection; (ii) if Landlord does not elect, the time and manner of the CASp inspection is subject to the prior written approval of Landlord; and (iii) in either event, the payment of the fee for the CASp inspection shall be borne by Tenant. The foregoing statements are included in this Lease solely for the purpose of

complying with California Civil Code Section 1938 and shall not in any manner affect Landlord's and Tenant's respective responsibilities for compliance with construction-related accessibility standards as provided in this Lease.

3. TERM

3.1 Term of Lease

The Premises are leased for a term (the “**Term**”) commencing on January 1, 2025. The Term will end on the expiration date specified in the Basic Lease Information, or the date that this Lease is earlier terminated under the provisions of this Lease, unless City extends the Term pursuant to Section 3.4 (Extension Option(s)), below.

3.2 Commencement Date and Expiration Date

The dates that the Term commences and expires under this Lease are the “**Commencement Date**” and the “**Expiration Date**.” If the Commencement Date occurs on a date other than the Estimated Commencement Date provided in the Basic Lease Information, then Landlord will promptly deliver to City a notice substantially in the form of the attached **Exhibit B** confirming the actual Commencement Date, but Landlord’s failure to do so will not affect the dates of commencement or expiration of the Term.

3.3 Delay in Delivery of Possession

City is currently in possession of the Premises.

3.4 Extension Option

Landlord grants City the right to extend the Term (the “**Extension Option(s)**”) for the additional term(s) specified in the Basic Lease Information (the “**Extended Term(s)**”). The Extended Term(s) will be on all of the terms and conditions contained in this Lease. Landlord acknowledges and agrees that City’s exercise of an Extension Option will be conditioned on and subject to the Board of Supervisors and the Mayor enacting a resolution, at their respective sole and absolute discretion, approving and authorizing the extension (“**Exercise Approval**”). Accordingly, City’s exercise of the Extension Option(s) will occur, if at all, in two steps. City may exercise an Extension Option, if at all, by giving first written notice to Landlord of the City’s intent to extend the Lease (the “**Exercise Notice**”) no later than three hundred and sixty-five (365) days before expiration of the Term; provided, however, if there is an uncured Event of Default on the date City gives an Exercise Notice, then Landlord may reject City’s Exercise Notice. The Extension Option is personal to the City and cannot be exercised by any other person or entity other than the City while it is in full and actual possession of the Premises and without the intention of thereafter assigning or subletting. The Extension Option is not assignable. City will have ninety (90) days after the date the City delivers the Exercise Notice to Landlord to obtain Exercise Approval (unless the parties are proceeding under Section 4.3 (Determination of Base Rent for the Extended Term), in which event City will have sixty (60) days after the date the Director of Property approves the Base Rent under Section 4.3(b)(v) to obtain Exercise Approval). City makes no representation or warranty at the time of giving the Exercise Notice that City will receive Exercise Approval, and Landlord agrees that the Lease will not be extended if the City does not receive Exercise Approval for any reason or cause, including any alleged failure of advocacy. If the Exercise Approval is not received within the applicable time period in the preceding sentence, then Landlord may reject City’s exercise upon written notice to City at any time before City receives the Exercise Approval. On receipt of the Exercise Approval, Tenant shall notify Landlord and the Extension Option will be deemed exercised and binding on the parties. If City extends the Term as provided in this Section, then the word “Term” will mean and include any Extended Terms.

4. RENT

4.1 Base Rent

Beginning on the Commencement Date, City will pay to Landlord the annual Base Rent specified in the Basic Lease Information (the “**Base Rent**”). The Base Rent is payable in equal monthly payments at the address specified for Landlord in the Basic Lease Information, or other place as Landlord may designate in writing on not less than thirty (30) days’ advance notice. City will pay the Base Rent monthly within thirty (30) days after invoice from Landlord and without any deductions or setoff except as otherwise provided in this Lease.

4.2 Adjustments in Base Rent

On each date specified in the Basic Lease Information for the adjustment of Base Rent (an “**Adjustment Date**”), the Base Rent payable under Section 4.1 (Base Rent) will be adjusted to equal one hundred three percent (103%) of the Base Rent for the lease year preceding the Adjustment Date.

4.3 Determination of Base Rent for the Extended Term

(a) At the commencement of the Extended Term, the Base Rent will be adjusted to ninety-five percent (95%) of the fair market rent rate for space of comparable size and location to the Premises then being offered for rent in other buildings similar in age, location, and quality to the Building (“**Comparable Space**”) situated within the downtown San Francisco business districts (North Financial District and South Financial District) (“**Reference Area**”); provided, however, in no event will the Base Rent be reduced below the Base Rent for the twelve (12)-month period before the Extended Term. As used in this Section, “**fair market rate**” means the base rent for Comparable Space, taking into account (i) any additional rent and all other payments and escalations payable under this Lease, (ii) floor location and size of the premises covered by leases of the Comparable Space, (iii) the duration of Extended Term under this Lease and the term of the leases for Comparable Space, (iv) free rent and any other tenant concessions given under the leases for Comparable Space, and (v) tenant improvement allowances and other allowances given under the leases for Comparable Space.

(b) Within thirty (30) days after City’s exercise of the Extension Option, Landlord will notify City of Landlord’s determination of the fair market rate for the Premises, together with Landlord’s reasonable supporting documentation. If City disputes Landlord’s determination of the fair market rate, City will notify Landlord within fourteen (14) days after Landlord’s notice to City of the prevailing market rate and the dispute will be resolved as follows:

(i) Within thirty (30) days after Landlord’s notice to City of the fair market rate, Landlord and City will attempt in good faith to meet no less than two (2) times, at a mutually agreeable time and place, to attempt to resolve the disagreement.

(ii) If within that thirty (30)-day period Landlord and City cannot agree on the fair market rate, then each will select one MAI appraiser to determine the fair market rate from City’s approved appraiser (MAI) list. Within thirty (30) days after the expiration of the thirty (30)-day consultation period, each party will cause its appraiser to prepare and complete an appraisal report determining the fair market rate and submit the report to Landlord and City.

(iii) If only one appraisal report is submitted within that thirty (30)-day period, then the fair market rate determined in that appraisal report will be used to establish the Base Rent for the Extended Term. If both appraisal reports are submitted

within the thirty (30)-day period, and if the fair market rates determined in the two appraisal reports differ by less than ten percent (10%) of the higher of the two, then the average of the two will be the fair market rate. If the fair market rates in the two appraisal reports differ by more than ten percent (10%) of the higher of the two, then the two appraisers will immediately select a third appraiser from the City’s approved appraiser (MAI) list. “Section 23 of the City’s Administrative Code provides for use of the City’s approved appraiser list (which usually has approximately 10 appraisers on it) should the price per foot be over \$45/sf, this is a mandated requirement. It also requires a review appraisal if over \$65/sf. This is a requirement in all City leases, permits, and licenses since 2016. (See SF Adm. Code, Section 23.30.) Landlord does not have to use a City-approved appraiser for its one and original appraisal. However, the Board of Supervisors does not need to accept appraisals from non-City approved appraisers. So it is easier and quicker to just have both parties use from the list. Within ten (10) days after selection the third appraiser will determine which of the first two appraisal reports specified a value closest to the actual fair market value, which will be the prevailing market rate. The determination of the third appraiser will be final and binding on the parties. The parties will split the cost for the third appraisal.

(iv) If City’s Director of Property does not approve the fair market rate as determined by the third appraiser within ten (10) days after delivery of the determination, the Director of Property may revoke City’s exercise of the Extension Option.

Should the rent be over \$65 per square foot, the appraisal(s) must be reviewed by a Review Appraiser from the City’s approved appraiser list. City shall have such review conducted in an expeditious manner.

4.4 Additional Charges

City will pay to Landlord any charges or other amounts required under this Lease as additional rent (“**Additional Charges**”), including the charges for City’s Percentage Share of Real Estate Taxes and Operating Costs, as provided below. All Additional Charges are payable to Landlord at the place where the Base Rent is payable. The Base Rent and Additional Charges are sometimes collectively referred to “**Rent.**”

4.5 Definitions

“**Base Year**” means the year specified in the Basic Lease Information.

“**City’s Percentage Share**” means the percentage specified in the Basic Lease Information.

“**Expense Year**” means each calendar year commencing January 1st of each year during the Term, including any partial year in which this Lease commences; provided that Landlord, on advance written notice to City, may change the Expense Year to any other twelve (12) consecutive month period and, in the event of a change, City’s Percentage Share of Operating Costs will be equitably adjusted for the Expense Years involved in the change. Expense Year does not include the Base Year.

“**Operating Costs**” means the total reasonable costs and expenses actually paid or incurred by Landlord in connection with the management, operation, maintenance, and repair of the Building, including: (1) the cost of air conditioning, electricity, steam, water, sewer, heating, mechanical, telephone, ventilating, escalator, and elevator systems and all other utilities, (2) the cost of general maintenance, cleaning, and service contracts, including all supplies, tools, and equipment for that maintenance, cleaning, and service, (3) the cost incurred by Landlord for all janitorial, security and insurance required to be carried on the Building or the use or occupancy

thereof, (4) wages, salaries, payroll taxes (not including any taxes imposed under the Business and Tax Regulations Code based on payroll expense) , and other labor costs and employee benefits relating to Landlord's employees or its Agents (defined in Section 24.5 (Parties and Their Agents, Approvals) below) engaged in the operation, repair, or maintenance, of the Building, allocated in proportion to the percentage of that person's working time actually spent working in connection with the Building, (5) management fees in an amount equal to 3% of the gross rent for the Building (with Landlord agreeing to provide Tenant with the gross rent amount at Tenant's request), (6) fees, charges, and other costs of all independent contractors engaged by Landlord, allocated in proportion to the percentage of that person's working time actually spent working in connection with the Building, (7) accounting and legal expenses, (8) depreciation on personal property, including carpeting in public corridors and Common Areas and window coverings provided by Landlord, (9) the fair market rental value of offices in the Building for the property manager, and (10) costs of capital repairs, capital improvements, and equipment (A) reasonably required for the health and safety of the occupants of the Building or required by applicable Laws enacted on or after the date of this Lease (unless caused by Landlord's deliberate or negligent violation of such law, rule or regulation and except to the extent such improvements are attributable to or are made for the primary benefit of a tenant or occupant other than City) amortized over the useful life of the improvement and/or equipment, together with interest at the actual interest rate incurred by Landlord in connection those capital repairs, improvements, or equipment, unless caused by Landlord's deliberate or negligent violation of applicable Laws, and except to the extent the improvements are attributable to or are made for the primary benefit of a tenant or occupant other than City, or (B) acquired to cause, in Landlord's good faith judgment, an immediate (i.e., commencing within the first year after completion of the repairs or improvements or installation of equipment) reduction in other Operating Costs, amortized over the useful life of the repairs, improvements, or equipment at an annual rate reasonably calculated to equal the amount of Operating Costs to be saved in each calendar year throughout the Term (as determined at the time Landlord elected to proceed with the capital repair or improvement or acquisition of the capital equipment to reduce Operating Costs), together with interest at the actual interest rate incurred by Landlord. Attached hereto as Exhibit I is a copy of the 2023 Operating Costs billed to Tenant. The parties acknowledge that any examples of past operating costs provided by Landlord to Tenant have been provided for general information purposes only and shall not affect in any manner the terms of this Lease with respect to City's payment of Operating Costs. Specifically, and not by way of limitation, the parties acknowledge that the property taxes in the Base Year will be lower than the property taxes paid in prior years because of a successful property tax assessment appeal by Landlord.

“Operating Costs” expressly do not include the following:

- (i) Costs of capital repairs, capital improvements capital equipment, and capital tools, and rental payments, and other related expenses incurred in leasing air conditioning systems, elevators, or other equipment ordinarily considered to be of a capital nature, except as expressly permitted under clause (10) above;
- (ii) Rentals and other related expenses for items (except when needed in connection with normal repairs and maintenance of permanent systems) that, if purchased rather than rented, would constitute a capital improvement that is specifically excluded in item (i) above (excluding, however, equipment not affixed to the Building that is used in providing janitorial or similar services);
- (iii) Depreciation, amortization, and interest payments (including interest, principal, points, and fees on debt or amortization payment on any mortgages, deeds of trust, or other debt instruments) except to the extent permitted under clause (10) above and except on materials, tools, supplies, and vendor-type equipment purchased by Landlord to enable Landlord to supply services Landlord might otherwise contract for with a third party where the depreciation, amortization, and interest payments

would otherwise have been included in the charge for the third party's services, all as determined in accordance with sound real estate accounting principles, consistently applied.

(iv) Costs incurred by Landlord because of fire, windstorm, or other casualty or by the exercise of the right of eminent domain to the extent Landlord is entitled to be compensated through proceeds or insurance or condemnation awards, or would have been reimbursed if Landlord had in force all of the insurance required to be carried by Landlord under this Lease,

(v) Costs incurred by Landlord if any portion of the Building is made untenable by earthquake and cost of earthquake repairs in excess of one hundred thousand dollars (\$100,000) per earthquake (for this purpose, an earthquake is defined collectively as the initial earthquake and the aftershocks that relate to the initial earthquake);

(vi) Costs for which the Landlord is entitled to be reimbursed (other than as a reimbursement of Operating Costs) under any warranty, or by any tenant or occupant of the Building, or by insurance by its carrier or any tenant's carrier, or by anyone else;

(vii) Costs, including permit, license, and inspection costs, incurred for the installation of improvements made for other tenants or occupants of the Building or incurred in renovating or otherwise improving, decorating, painting, or redecorating vacant space for tenants or occupants in the Building;

(viii) Leasing commissions, attorneys' and other professionals' fees, space planning costs, and all other costs and expenses in connection with negotiations with present or prospective tenants or other occupants in the Building or any present or future ground lessors or holders of any mortgages or other encumbrances affecting any of the Building;

(ix) Leasing commissions, attorneys' fees, costs, and disbursements and other expenses incurred in connection with negotiations or disputes with tenants or other occupants or prospective tenants or other occupants, or associated with the enforcement of any leases or costs of the defense of Landlord's title to the Building or the Property;

(x) Expenses in connection with services or other benefits that are not offered to City or for which City is charged directly but that Landlord provides to another tenant or occupant of the Building;

(xi) Costs incurred by Landlord resulting from any dispute under the terms and conditions of any lease, ground lease, mortgage, or deed of trust, or covenants, conditions, or restrictions encumbering the Building or Property, or any violation of applicable Laws by Landlord or any other tenant or occupant of the Building;

(xii) Costs incurred in connection with upgrading the Building to comply with disabled access, life, fire and safety codes in effect before the reference date of this Lease, and costs incurred in connection with upgrading the Building to comply with the Americans with Disabilities Act, as amended, Title 24 of the California Code of Regulations (or its successor), the San Francisco Sprinkler Ordinance and the San Francisco Unreinforced Masonry Building Ordinance;

(xiii) Payments for management or other services in or to the Building, or for supplies or other materials to Landlord's subsidiaries or affiliates, to the extent that the costs of the services, supplies, or materials exceed the costs that would have been paid had the services, supplies, or materials been provided by parties unaffiliated with the Landlord on a competitive basis;

(xiv) Costs for which Landlord has been compensated by a management fee, and any management fees in excess of management fees normally charged by landlords of comparable buildings in San Francisco;

(xv) Any ground lease rental or rental under any other underlying leases;

(xvi) Except as specifically permitted under clause (10) above, interest, principal, points, and fees on debts or amortization on any mortgage, deed of trust, or any other debt instrument encumbering any of the Building or the Property;

(xvii) Any compensation paid to clerks, attendants, or other persons in commercial concessions operated by Landlord or in any parking facility at or for the Building;

(xviii) All items and services for which City, any other tenant or occupant of the Building or anyone else reimburses Landlord (other than through a party's proportionate share of Operating Costs), or that Landlord provides selectively to one or more other tenants or occupants without reimbursement, or that are not provided in reasonable proportion to the Premises but that Landlord provides to another tenant or other occupant of the Building;

(xix) Advertising or promotional expenditures, and the costs of acquiring and installing signs in or on any of the Building identifying the owner of the Building or any tenant or occupant of the Building;

(xx) Costs of any electric power used by any tenant in the Building for which the tenant directly contracts with the local public service company or of which any tenant is separately metered or submetered and pays Landlord directly (and if any tenant in the Building contracts directly for electric power service or is separately metered or submetered during any portion of the relevant period, the total electric power costs for the Building must be "grossed up" to reflect what those costs would have been had each tenant in the Building used a commercially reasonable, standard amount of electric power;

(xxi) Services provided, taxes attributable to, and costs incurred in connection with the operation of retail, restaurant, and garage operations in the Building;

(xxii) "in-house" legal or accounting fees;

(xxiii) Real Estate Taxes, exclusions from Real Estate Taxes as set forth in the definition of that term below, and any tax penalties incurred as a result of Landlord's negligence or Landlord's inability or unwillingness to make tax payments when due;

(xxiv) Fines, penalties, or interest resulting from the negligence or fault of other tenants or of the Landlord or their Agents;

(xxv) Costs arising from the presence of Hazardous Material in, under, or about the Building including groundwater or soil conditions;

(xxvi) Costs, fees, dues, contributions, or similar expenses for or related to charitable or political causes or candidates;

To the extent the following costs arise during any applicable warranty periods, costs as a result of repairs of latent defects in the design or original construction of the Building, or improvements made or installed by Landlord or any previous owner, or in the Building Systems;

(xxviii) Costs for sculpture, paintings, or other objects of art;

(xxix) Costs arising from claims, disputes, or potential disputes (including tax disputes where the tenants of the Building would receive benefits if Landlord prevails to the extent that the costs exceed the benefits to the tenants of the Building), in connection with potential or actual claims, litigation, or arbitrations pertaining to Landlord or the Building, including all attorneys' fees and costs of settlement, judgments, and other similar payments;

(xxx) All direct cost of refinancing, selling, exchanging, or otherwise transferring ownership of any portion of the Building or the Property or any interest in any portion of the Property, including broker commissions, attorney's fees, and closing costs;

(xxxi) Reserves for bad debts, rent loss, capital items, future improvements, repairs, or additions, Real Estate Taxes, or Operating Costs;

(xxxii) The wages and benefits of any employee who does not devote substantially all of his or her employed time to the Building unless the wages and benefits are prorated to reflect time spent on operating and managing the Building vis-a-vis time spent on matters unrelated to operating and managing the Building;

(xxxiii) Landlord's general corporate overhead and general and administrative expenses and all costs associated with the operation of the business of the ownership or entity that constitutes "Landlord," as distinguished from the costs of Building operations, management, maintenance or repair; and

"Real Estate Taxes" means all taxes, assessments, and charges levied assessed or imposed on or with respect to the Building (or portion thereof) owned by Landlord, or Landlord's interest in the Building. Real Estate Taxes include all general or special real property taxes and general and special assessments, charges, fees, or assessments for transit, housing, police, fire, or other governmental services, service payments in lieu of taxes that are now or later levied or assessed against Landlord by the federal, state, or local government, district or public corporation, and will also include any other tax, fee, or other excise, however described, that may be levied or assessed as a substitute for, or as an addition to, in whole or in part, any other Real Estate Taxes. Real Estate Taxes (and Operating Costs) expressly do not include: **(1)** franchise, real property transfer, other transfer, inheritance, business registration, payroll expense, or capital stock taxes, or income taxes of Landlord from all sources unless, due to a change in the method of taxation, any of those taxes are levied or assessed against Landlord as a substitute for, or as an addition to, in whole or in part, any other tax that would otherwise constitute a Real Estate Tax, **(2)** any penalties, fines, interest, or charges attributable to the late payment of any taxes, except to the extent attributable to City's failure to pay its portion of Real Estate Taxes, **(3)** any personal property taxes payable by City or by any other tenant or occupant of the Building unless such taxes are assessed on improvements owned by Landlord, **(4)** any

increase in Real Estate Taxes due to improvements to another tenant's premises in the Building or another tenant's leased space reverts to Landlord; (5) to the extent the rent payable under this Lease is exempt therefrom, any Early Care and Education Commercial Rents Tax imposed under Article 21 of the Business and Tax Regulations Code, (6) any costs associated with contesting taxes, (7) to the extent the rent payable under this Lease is exempt therefrom, SF Commercial Gross Rent Tax; or (8) to the extent the rent payable under this Lease is exempt therefrom, the City of San Francisco regular general business tax (and, if the rent is not exempt, only annual increases of more than six percent over the tax paid in the preceding year shall be included in Real Estate Taxes).

"Tax Year" means each calendar year during the Term, including any partial year during which this Lease commences; provided that, by notice to City, Landlord may change the Tax Year from time to time to any other twelve (12) consecutive month period and, in the event of that change, City's Percentage Share of Real Estate Taxes will be equitably adjusted for the Tax Year during the change.

4.6 Adjustments to Base Year

(a) **Operating Costs.** If the Building is not at least ninety five percent (95%) occupied during all or a portion of the Base Year or any Expense Year, then Landlord will make an appropriate adjustment to the components of Operating Costs for that year to determine the amount of Operating Costs that would have been incurred had the Building been ninety five percent (95%) occupied; and the amount Landlord determines will be deemed to have been the amount of Operating Costs for that year; provided, however, in no event shall Landlord recapture more than one hundred percent (100%) of the Operating Costs in any Expense Year. If Landlord does not carry earthquake or terrorism insurance for the Building during the Base Year but subsequently obtains earthquake or terrorism insurance for the Building during the Lease Term, then from and after the date that Landlord obtains earthquake or terrorism insurance, as the case may be, and continuing throughout the period during which Landlord maintains that insurance, Operating Costs for the Base Year will be deemed to be increased by the amount of the premium Landlord would have incurred had Landlord maintained that insurance for the same period of time during the Base Year. If during the Base Year or any Expense Year, Landlord does not furnish any particular work or service (the cost of which, if performed by Landlord, would be included in Operating Costs) to a tenant who has undertaken that work or service in lieu of Landlord, Operating Costs will be deemed to be increased by an amount equal to the additional Operating Costs that would reasonably have been incurred during that period by Landlord if it had furnished the work or service to the tenant. . Further, if after the Base Year, Landlord changes its custom and practice in operating the Building and adds services or incurs expenses relating to separate categories of Operating Costs that existed as of the Base Year but were not part of Operating Costs during the entire Base Year, then the Operating Costs for the Base Year will be grossed up to reflect what Operating Costs would have been if the custom or practice with respect to such additional services or categories of Operating Costs been provided during the entire Base Year. Operating Costs for the Base Year will not include market-wide labor-rate increases resulting from extraordinary circumstances, including boycotts and strikes, and utility rate increases resulting from extraordinary circumstances including conservation surcharges, boycotts, embargoes or other shortages, or amortized costs relating to capital improvements.

Taxes. If a new type of Real Estate Tax is imposed or the method of calculating a particular Real Estate Tax is modified after the Base Year, then Real Estate Taxes for the Base Year will be adjusted on a basis consistent with sound real estate accounting principles, to reflect Real Estate Taxes as if the new type of tax or method had been in effect in the Base Year. If the property tax assessment for the Building or Real Estate Taxes for the Base Year or any Expense Year does not reflect an assessment or Real Estate Taxes for a 95% occupied building, then Real Estate Taxes for the Base Year or Expense Year (as applicable) will be adjusted to reflect Real Estate Taxes for a 95% occupied Building. Real Estate Tax during the initial term of the Lease shall

not include any increases in taxes resulting from a change of ownership of the Building or land thereunder after the date of this Lease. The preceding sentence shall not apply during any option period.

4.7 Calculation of Operating Costs and Real Estate Taxes

Calculation of Operating Costs. The calculation of Operating Costs will be made in accordance with sound real estate accounting principles. With respect to the costs of capital repairs, improvements, or equipment included in Operating Costs under clause (10) of the definition of Operating Costs, those costs will be included in Operating Costs only after the capital Improvement is completed and put into service. Landlord will not collect or be entitled to collect Operating Costs from all of its tenants in the Building an amount that is more than 100% of the Operating Costs actually paid by Landlord in connection with the Building.

[intentionally omitted].

4.8 Payment of City's Percentage Share of Operating Costs

Commencing the first month after the end of the Base Year, City will pay to Landlord each month, as Additional Charges, one twelfth (1/12) of City's Percentage Share of the amount, if any, by which Operating Costs for each Expense Year exceed the Operating Costs for the Base Year. City will make the payments, in advance, in an amount estimated by Landlord in reasonable detail in a writing delivered to City at least four (4) months, or at least by August 31st of each year (before June 1st would be preferred by Tenant), before the first payment of City's Percentage Share of Operating Costs is due. Landlord will update its estimates of Operating Costs each Lease year, but none of the revised estimates will be retroactive. With reasonable promptness not to exceed ninety (90) days after the expiration of each Expense Year, Landlord will furnish City with a statement ("**Landlord's Expense Statement**"), prepared by an independent certified public accountant, setting forth in reasonable detail the actual Operating Costs for the Expense Year and City's Percentage Share. If City's Percentage Share of the actual Operating Costs for the Expense Year exceeds the estimated Operating Costs paid by City for that Expense Year, City will pay to Landlord (whether or not this Lease has terminated) the difference between the amount of estimated Operating Costs paid by City and City's Percentage Share of the actual Operating Costs within thirty (30) days after the receipt of Landlord's Expense Statement. If the total amount paid by City for its Percentage Share of Operating Costs exceeds City's Operating Costs Share of the actual Operating Costs for the Expense Year, the excess will be credited against the next installments of City's Percentage Share of Operating Costs or refunded to City, at City's option.

4.9 Payment of City's Percentage Share of Real Estate Taxes

Commencing the first month after the end of the Base Year, City will pay Landlord each month, as Additional Charges, one twelfth (1/12) of City's Percentage Share of the amount, if any, by which Real Estate Taxes for each Tax Year exceed Real Estate Taxes for the Base Year. City will make those payments, in advance, in an amount estimated by Landlord in reasonable detail in a writing delivered to City at least four (4) months before the first payment of City's Percentage Share of Real Estate Taxes is due. With reasonable promptness not to exceed sixty (60) days after Landlord has received the tax bills for any Tax Year, Landlord will furnish City with a statement ("**Landlord's Tax Statement**") setting forth the actual amount of Real Property Taxes for the Tax Year and City's Percentage Share. If City's Percentage Share of the actual Real Estate Taxes for the Tax Year exceeds the estimated Real Estate Taxes paid by City for that Tax Year, City will pay to Landlord (whether or not this Lease has terminated) City's Percentage Share of the actual Real Estate Taxes within thirty (30) days after the receipt of Landlord's Tax

Statement. If the total amount of estimated Real Estate Taxes paid by City for the Tax Year exceeds City's Percentage Share of the actual Real Estate Taxes, the excess will be credited against the next installments of City's Percentage Share of Real Estate Taxes, or at City's option, the excess will be refunded to City.

4.10 Proration

If the Commencement Date or Expiration Date occurred on a date other than the first or last day of a Tax Year or Expense Year, then City's Percentage Share of Real Estate Taxes or Operating Costs for the Tax Year or Expense Year in which the Commencement Date or Expiration Date occurs, will be prorated based on a three hundred sixty-five (365)-day year.

4.11 Audits

After not less than five (5) business days' notice to Landlord, City may audit the books and records of the Building related to Operating Costs and Real Estate Taxes. If the audit discloses any discrepancies that would result in a reduction of City's Percentage Share of Operating Costs for any Expense Year, Landlord will immediately refund to City the amount of any overpayment by City. City will pay the cost of the audit, but if an audit discloses any discrepancies that result in a reduction of City's Percentage Share of Operating Costs and/or Real Estate Taxes by six percent (6%) or more for any Expense Year or Tax Year, then Landlord will pay the reasonable costs of the audit. If Landlord does not agree with the results of such audit, it may conduct its own audit at its own expense. Upon receipt and review of Landlord's audit, the audit teams will meet and confer regarding same. Should the audit teams fail to reach a mutually agreeable conclusion, then Landlord and City shall select a mutually acceptable certified public accountant with experience in determining operating expenses in commercial building who shall determine City's Percentage Share of Operating Costs and Real Estate Taxes for the Expense Year or Tax Year. Such determination shall be final and binding on the parties. The cost of the certified public accountant shall be borne equally by the parties.

4.12 Records

Landlord will maintain at the Building or at its offices in San Francisco in a safe, complete, and organized manner all of its records related to this Lease, Real Estate Taxes, Operating Costs, and any other charges paid by City under this Lease, for at least three (3) years after the Expiration Date or earlier termination of the Term. Landlord will maintain the records on a current basis and in sufficient detail to facilitate adequate review and audit. All books and records will be available for inspection, copying, and audit by City and its representatives, at City's expense, subject to the provisions of Section 4.11 (Audits).

4.13 Payments by City

Landlord acknowledges that City cannot make any payments to Landlord unless Landlord is qualified as an approved vendor in City's financial and payment system. Therefore, City will not be in default of any monetary obligation under this Lease and no interest or late charge will apply, if Landlord is not an approved vendor with City. More information about being an approved vendor with City is available at <https://sfcitypartner.sfgov.org/Vendor/BecomeSupplier>. All Rent that has accrued while Landlord was not an approved vendor will be payable within twenty (20) after City receives Landlord's written notice and the Contract Monitoring Division confirms that Landlord has been approved as a City vendor.

4.14 Landlord's Compliance with City Business and Tax Regulations Code

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

4.15 Additional Services

City may request that Landlord provide or arrange for additional services for the Premises, which Landlord may provide or arrange in its reasonable discretion. If Landlord elects to provide the requested additional services and City has approved the cost and scope of those services in advance, then City will pay Landlord as Additional Charges the cost of those services plus a three percent (3%) administrative fee. Landlord may not contract for or provide any such additional services (and City will not be obligated to pay for such services) without City's prior written approval of the cost of the additional services (which may be the known costs, or an hourly rate and maximum number of hours, or a cost estimate with a not-to-exceed maximum amount) in writing before Landlord incurs any costs. City will pay for the cost of the additional services and the administrative fee within thirty (30) days after receipt of an invoice; provided, however, that City may elect to provide any deposit or other prepayment that City determines is appropriate given the nature of the requested services. Any additional terms for the additional services will be memorialized by a written agreement, which, upon execution by Landlord and City, will be considered a part of this Lease.

5. USE

5.1 Permitted Use

City may use the Premises for general office uses and any other uses specified in the Basic Lease Information, and for no other use without Landlord's prior written consent, which may not be unreasonably withheld, conditioned, or delayed. Notwithstanding the foregoing, the basement portion of the Premises shall be used solely for the purpose of storage and placement of equipment. The ground floor portion of the Premises shall be used as the customer office of the Child Support Services unless the ground floor space cannot handle the entire case load. In such event, City may also use the upper floors as a customer office provided that all customers use the rear Building entrance on Mission and Minna Street for ingress and egress to the Premises. City acknowledges that Landlord may take into account the impact on other tenants, prospective tenants and the marketing of the Building in determining whether to consent to a change in use.

5.2 Observance of Rules and Regulations

City will observe the rules and regulations for the Building attached to this Lease as **Exhibit C** (the "**Rules and Regulations**"), but the provisions of this Lease will govern over any conflicting Rules and Regulations. Landlord may make reasonable changes to the Rules and Regulations, but all changes must be applicable to all other Building tenants and the changes may not **(a)** reduce Landlord's obligations under the Lease, **(b)** conflict with the provisions of this Lease, **(c)** materially increase City's burdens or obligations, **(d)** impose a charge on City for services that this Lease expressly states are to be provided to City at no charge, or **(e)** materially

adversely affect any permitted use of the Premises. The changes permitted under this Section will be binding on City within a reasonable implementation period after delivery of Landlord's written notice of the changes to City. Landlord will administer the Rules and Regulations in a fair and nondiscriminatory manner and use reasonable efforts to cause other Building tenants to comply with them. Landlord will notify City of any waiver of or special dispensation under the Rules and Regulations granted by Landlord to any other tenant in the Building and on request, City will be entitled to the same waiver or special dispensation.

5.3 Interference with Access

Subject to the terms of this Lease, City shall have access to the Premises 24 hours per day, seven days per week. In the event that City is prevented from using, and does not use, the Premises or any material portion thereof, as a result of any repair, maintenance or alteration performed by Landlord which substantially interferes with City's use of the Premises (an "**Abatement Event**"), then (i) Landlord shall promptly perform and complete such work in a diligent manner; and (ii) Rent will be abated based on the extent to which the condition interferes with City's ability to normally and safely carry on its business at the Premises. If the Event continues for thirty (30) days or more after City's use is interrupted or impaired then, without limiting any of its other rights under this Lease, City may terminate this Lease, unless Landlord supplies City with evidence reasonably satisfactory to City that City's normal and safe use will be restored within sixty (60) days after the date City's use was interrupted or impaired, and City's full use is actually restored within that sixty (60)-day period. Notwithstanding the foregoing, the provisions of Section 12 shall govern with respect to a casualty and the provisions of Section 13 shall govern with respect to a condemnation.

6. LEASEHOLD IMPROVEMENTS

6.1 Landlord's Obligation to Construct Improvements

In accordance with the provisions of this Section and the Basic Lease Information above, Landlord, through its general contractor reasonably approved by City, will perform certain work consisting of painting and make certain installations, consisting of carpeting, in the first floor lobby area of the Premises and the Common Areas, as approved by City. The foregoing work and installations are referred to as the "**Leasehold Improvement Work**" and "**Leasehold Improvements.**" City shall pay the costs (including hard, soft and permitting costs) of the Leasehold Improvement Work in excess of \$77,225, if any.

(a) Specifications and Materials

(i) Landlord will cause its space planner/representative to prepare and submit to City for its approval building standard finish/color specifications and carpet swatches for the Leasehold Improvements, based on City's program requirements for use of the Premises, and in form and detail sufficient for purposes of contractor pricing. Upon receipt of the swatches and finish specifications, City has ten (10) days to approve them, reject them, inquire about them.

(ii) As soon as reasonably possible, but in no event later than thirty (30) working days after City's notice, Landlord will submit to City final plans, specifications, and working drawings incorporating the revisions required by City. The revised plans, specifications, and working drawings will be subject to City's approval, which may not be unreasonably withheld or delayed. The final plans, specifications, working drawings and pricing for the Leasehold Improvements approved by City are referred to as the "**Construction**

Documents.” Construction Documents shall only be prepared by Landlord if and to the extent required to obtain permits for the Leasehold Improvement Work.

(b) Permits

If applicable, Landlord will secure and pay for any building permits and other permits and approvals, government fees, licenses, and inspections necessary for the proper performance and completion of the Leasehold Improvement Work shown on the Construction Documents. Promptly after City’s approval of the Construction Documents, Landlord will apply for any permits, approvals, or licenses necessary to complete the Leasehold Improvement Work and will provide copies to City promptly following receipt. Landlord will be responsible for arranging for all inspections required by City’s Department of Building Inspection.

(c) Construction

Immediately after approval of the Construction Documents and Landlord’s receipt of all necessary permits and approvals, Landlord will commence the construction and cause the Leasehold Improvements to be completed in a good and professional manner in accordance with sound building practices. Landlord will comply with and give notices required by all Laws (defined in Section 10.1 (Landlord’s Compliance with Laws)), related to construction of the Leasehold Improvements. Without limiting the foregoing, construction of the Leasehold Improvements must comply with all applicable disabled access laws, including the most stringent requirements of the Americans with Disabilities Act of 1990, California Code of Regulations Title 24 (or its successor) and City’s requirements for program accessibility. Landlord will pay prevailing wages in connection with construction of the Leasehold Improvement Work as further provided in Section 23.3 (Prevailing Wages and Working Conditions), and may not use tropical hardwood wood products, or virgin redwood wood products as further provided in Section 23.5 (Tropical Hardwood and Virgin Redwood Ban).

(d) Construction Schedule

(i) Landlord will keep City apprised on a regular basis of the status of plan preparation, permit issuance, and the progress of construction.

(ii) The Leasehold Improvement Work will be deemed to be “**substantially completed**” for purposes of this Lease when the Leasehold Improvements have been sufficiently completed in accordance with the approved Construction Documents so that City can occupy the Premises and conduct its business for its intended uses and City, through its Director of Property, has approved the Leasehold Improvements. At its option, City may approve the Leasehold Improvements even though there may remain incomplete minor details that would not interfere with City’s use. Landlord will promptly and diligently cause all incomplete details to be completed. Within thirty (30) days after acceptance of the Premises or as soon after acceptance as practicable, City may present to Landlord a written punchlist of any items that have not been finished in accordance with the Construction Documents. Within thirty (30) days after the delivery of the punchlist, Landlord will promptly complete all defective or incomplete items identified in the punchlist. City’s failure to include any item on the punchlist will not alter Landlord’s obligation under this Lease to complete all Leasehold Improvement Work in accordance with the approved Construction Documents or constitute a waiver of any latent defects.

No approval by City or any of its Agents of the Pricing Plans, Construction Documents, or completion of the Leasehold Improvement Work for purposes of this Lease will be deemed to constitute approval of any governmental or regulatory authority with jurisdiction over the Premises, and nothing in this Lease will limit Landlord’s obligations to obtain all necessary or required approvals.

6.2 [Construction of Leasehold Improvements] Not Applicable

6.3 Installation of Telecommunications and Other Equipment

Landlord and City acknowledge that the Leasehold Improvement Work will not include the installation of telecommunications, data, and computer cabling facilities and equipment. City is responsible for installing those facilities and equipment.

6.4 [Construction of Improvements that Disturb or Remove Exterior Paint] Not Applicable

7. ALTERATIONS

7.1 Alterations by City

City may not make or permit any alterations, installations, additions, or improvements (collectively, "**Alterations**") to the Premises without first obtaining Landlord's written consent, which Landlord will not unreasonably withhold, condition, or delay. Installation of furnishings, fixtures, equipment, or decorative improvements not attached in such a manner that the removal thereof may damage the Premises or that do not affect the Building Systems or structural integrity of the Building, and the repainting and recarpeting of the Premises do not constitute Alterations and do not require Landlord's consent. Any Alterations permitted under this Lease will be made at City's cost in compliance with applicable Laws (as defined in Section 10.1 (Landlord's Compliance with Laws)). Without cost to itself, Landlord will cooperate with City in securing building and other permits and authorizations needed for any permitted Alterations. Landlord will not be entitled to any construction or other administrative fee in connection with any Alteration. City will not be required to remove any Alterations on the expiration or sooner termination of this Lease unless Landlord notifies City in writing at the time Landlord approves the Alterations that they must be removed. City is not required to remove any improvements not requiring Landlord's consent.

7.2 Title to Improvements

Except for City's Personal Property (as defined in the next Section), all appurtenances, fixtures, improvements, equipment, additions, and other property permanently installed in the Premises as of the Commencement Date or during the Term will be and will remain Landlord's property. City may not remove Landlord's property without Landlord's written approval.

7.3 City's Personal Property

All furniture, furnishings, equipment, trade fixtures, and articles of movable personal property installed in the Premises by or for City and that can be removed without structural damage to the Premises (collectively, "**City's Personal Property**") are and will remain City's property.

At any time during the Term, City may remove any of City's Personal Property, and City will repair any damage to the Premises resulting from that removal. On the expiration or earlier termination of this Lease, City will remove City's Personal Property from the Premises in accordance with Section 20 (Surrender of Premises). Landlord acknowledges that some of City's Personal Property may be financed by an equipment lease financing otherwise subjected to a security interest, or owned by an equipment company and leased to City ("**Secured Personal Property**"). Landlord recognizes the rights of any supplier, lessor, or lender who has an interest in any items of Secured Personal Property to enter the Premises after notice to Landlord and remove that Secured Personal Property at any time during the Term. On City's reasonable request, Landlord will execute and deliver any document reasonably required by any supplier, lessor, or lender in connection with the installation of any items of Secured Personal Property in the Premises, under which Landlord waives any rights it may have or acquire with

respect to the Secured Personal Property, so long as the supplier, equipment supplier, lessor, or lender agrees that it **(i)** will remove the Secured Personal Property from the Premises prior to the Expiration Date (and if it does not remove the Secured Personal Property within that time the equipment supplier, lessor, or lender will have waived any rights it may have had to the Secured Personal Property), and **(ii)** will repair any damage caused by the removal of the Secured Personal Property.

7.4 Alteration by Landlord

Landlord will use commercially reasonable efforts (without being required to perform work after hours) to minimize interference with or disruption to City's use and occupancy of the Premises during any alterations, installations, additions, or improvements to the Building, including any leasehold improvement work for other tenants in the Building. All work performed within the Premises by Landlord's staff or third parties must be attended and/or accompanied by Child Support Services Staff to insure data security measures required by the State of California are met unless an emergency.

8. REPAIRS AND MAINTENANCE

8.1 Landlord's Repairs

At its cost, Landlord will repair and maintain the exterior and structural portions of the Building in first-class condition, including, the roof, foundation, bearing and exterior walls, windows, doors, door frames, demising walls, and subflooring, and the heating, ventilating, air conditioning, plumbing, electrical (including overhead lights), fire protection, life safety, security, and other mechanical, electrical, and communications systems of the Building (collectively, the "**Building Systems**") and the Common Areas. Without limiting the foregoing, Landlord will maintain the Building in a clean, safe, and attractive manner, will provide exterior graffiti removal with reasonable frequency, and will not permit any other tenants of the Building to unreasonably disturb or interfere with City's use of the Premises or permit to be done in or about the Building or the Common Areas anything that is illegal, is dangerous to persons or property, or constitutes a nuisance.

8.2 City's Repairs

Subject to Landlord's warranty under Section 10.1 (Premises Condition), any construction warranties or guaranties received in connection with Landlord's completion of the Leasehold Improvements, and Landlord's repair and maintenance obligations under this Lease, City will repair and maintain at its cost the interior portions of the Premises and will keep the Premises in good working order and in a safe and sanitary condition, except for ordinary wear and tear and damage by casualty or condemnation. City will make any required repairs and replacements to the interior of the Premises that Landlord specifies in writing **(a)** at City's cost, **(b)** by contractors or mechanics selected by City and reasonably approved by Landlord, **(c)** so that the interior portions of the Premises will be at least substantially equal in quality, value, and utility to the original work or installation before the damage, **(d)** in a manner and using equipment and materials that will not materially interfere with or impair the operations, use, or occupation of the Building or the Building Systems, and **(e)** in compliance with all applicable Laws, including any applicable contracting requirements under City's Charter and Administrative Code. At all times during the Term, promptly after City's reasonable notice, Landlord will provide City and its Agents with access to those portions of the Building that are necessary to maintain or repair the telecommunications and data and computer cabling facilities and equipment installed by City.

8.3 Liens

City will keep the Premises free from liens arising out of any work performed, material furnished, or obligations incurred by City during the Term. Landlord may post on the Premises any notices permitted or required by Laws or that are needed for the protection of Landlord, the Premises, or the Building, from mechanics' and material suppliers' liens. City will give Landlord at least ten (10) days' prior written notice of commencement of any repair or construction by City on the Premises.

9. UTILITIES AND SERVICES

9.1 Landlord's Provision of Utilities

Landlord will furnish the following utilities and services to the Premises: **(a)** heating, air conditioning, and ventilation in amounts required for City's comfortable use and occupancy of the Premises, during the period from 8:00 a.m. to 6:00 p.m., Monday through Friday, except holidays generally recognized in San Francisco; **(b)** electric current in amounts required for normal lighting and for the operation of personal computers and other normal office machines and equipment, on a twenty-four (24) hours-a-day, three hundred sixty-five (365) days-a-year basis ("**Daily Basis**"); **(c)** elevator service on a Daily Basis; and **(d)** water for lavatory, kitchen, and drinking purposes on a Daily Basis. Without limiting Landlord's obligations under this Section, Landlord will furnish all utilities and services required under this Lease in a manner consistent with utilities and services normally provided in other buildings similar to the Building in the San Francisco Financial District.

Notwithstanding the above, City shall pay for the cost of the electricity for the Premises and the roof-mounted HVAC equipment separately and directly to the utility company. The parties acknowledge that there is one or more separate meters for the ground floor commercial space. Landlord is not required to provide HVAC or water to the basement (or storage space) of the Premises.

9.2 Services

(a) Janitorial Service

As an Operating Expense, Landlord will provide janitorial service in accordance with the specifications contained in the attached **Exhibit E**.

(b) Security Service

As an Operating Expense, Landlord will provide security for the Building in accordance with the specifications contained in the attached **Exhibit F**.

9.3 Conservation

Landlord may establish reasonable measures to conserve energy and water, including automatic light shut off after hours and efficient lighting forms, so long as these measures do not unreasonably interfere with City's use of the Premises.

9.4 Disruption in Essential Utilities or Services

If any failure, stoppage, or interruption of any utilities or services to be furnished by Landlord occurs, Landlord will immediately notify City of the failure, stoppage, or interruption; diligently attempt to restore service as promptly as possible; and keep City apprised of its efforts. If Landlord is unable to supply any of the Building's sanitary, electrical, heating, air

conditioning, water, elevator, fire protection and security, audio, video or electronic communications, hazard detection and alarm, or other essential services serving the Premises (collectively, “**Essential Services**”) and that inability of Landlord impairs City’s ability to carry on its business in the Premises for **(a)** two (2) or more business days and it is in Landlord’s reasonable control to restore the Essential Services or **(b)** five (5) or more consecutive business days if the failure is not within Landlord’s reasonable control, then the Rent will be abated based on the extent that the lack of the Essential Services impairs City’s ability to carry on its business in the Premises. The abatement or right to provide the Essential Services and offset against Rent will continue until the Essential Services have been restored so that the lack of any remaining Essential Services no longer materially impairs City’s ability to carry on its business in the Premises. Landlord will use its best efforts to restore disrupted Essential Services as soon as possible. If the failure to provide any Essential Services occurs for any reason within Landlord’s reasonable control for thirty (30) days or more in any ninety (90) day period and that failure materially and substantially interferes with City’s ability to carry on its business in the Premises, then, without limiting any of its other rights or remedies under this Lease or at law or in equity, City may terminate this Lease on written notice to Landlord. City will not be entitled to any abatement of Rent or right to terminate solely if Landlord’s inability to supply Essential Services to City is due to the negligent or willful acts, or omissions of City and its Agents.

10. COMPLIANCE WITH LAWS; PREMISES CONDITION

10.1 Landlord’s Compliance with Laws; Premises Condition; Indemnity

Subject to City’s obligation under Section 8.2 (City’s Repairs), Landlord will at all times during the Term maintain, at its cost, the Property, Building, Common Areas, and the Building Systems in compliance with applicable present or future federal, state, local, and administrative laws, rules, regulations, orders, and requirements as required and interpreted by the City (collectively, “**Laws**”). Landlord represents and warrants to City to the best of Landlord’s knowledge that: **(a)** the physical structure, fixtures, and permanent improvements of the Premises (including the Leasehold Improvements, but excluding any improvements or alterations made by City) and all portions of the Property and the Building along the path of travel to the Premises (including the Building entrances, Common Areas, restrooms, elevators, lobbies, telephone banks, and drinking fountains) are now, and as of the Commencement Date will be, in compliance with the requirements of the Americans With Disabilities Act of 1990, California Code of Regulations Title 24, and all other applicable Laws intended to provide equal accessibility for persons with disabilities (collectively, “**Disabilities Laws**”); **(b)** the Building is not an unreinforced masonry building, and is now, and as of the Commencement Date will be, in compliance with all applicable Laws relating to seismic safety (collectively, “**Seismic Safety Laws**”); **(c)** the Building, the Common Areas, and Building Systems serving the Premises are now, and as of the Commencement Date will be, in full compliance with all applicable Laws relating to fire and life safety (including the San Francisco High-Rise Sprinkler Ordinance) (collectively, “**Life Safety Laws**”); **(d)** the Building, the Common Areas, and Building Systems serving the Premises are now, and as of the Commencement Date will be, in compliance with all other applicable Laws; and **(e)** there are not now, and as of the Commencement Date will not be, any material physical or mechanical defects in the Premises, Building, or the Building Systems that would materially adversely affect City’s intended use of the Premises. Without limiting Section 16.2 (Landlord’s Indemnity), Landlord will Indemnify City against any and all Claims (defined in Section 16.1 (City’s Indemnity) below) arising out of **(i)** any failure of the Property, Building, Common Areas, Building Systems (or any portion of any of them) to comply with applicable Laws; or **(ii)** any misrepresentation by Landlord under this Section.

10.2 City's Compliance with Laws; Indemnity

City will use the Premises during the Term in compliance with applicable Laws, except that City will not be required to make any structural alterations, additions, or other modifications in order to comply with applicable Laws unless the modifications are necessary solely because of City's unique use of the Premises or any Alterations to the Premises made by City under Section 7 (Alterations) and the modifications are not otherwise Landlord's responsibility under this Lease. City will be responsible for complying with any requirement of the Disabilities Laws relating to the placement of City's furniture or other City Personal Property and the operation of any programs in the Premises, other than any requirement relating to the physical structure, fixtures, and permanent improvements of the Premises or portions of the Property or Building along the path of travel to the Premises, which are Landlord's obligation as provided in Section 10.1 (Premises Condition). Without limiting Section 16.1 (City's Indemnity), City will Indemnify Landlord against any and all Claims arising out of City's failure to comply with all applicable Laws as provided in this Section.

10.3 City's Compliance with Insurance Requirements

City will not conduct any use in or about the Premises that would: **(a)** invalidate or be in conflict with any fire or other casualty insurance policies covering the Building or any property located in the Building, **(b)** result in a refusal by casualty insurance companies of good standing to insure the Building or property in the Building in amounts reasonably satisfactory to Landlord or the holder of any mortgage or deed of trust encumbering the Building, **(c)** cause an increase in the casualty insurance premium for the Building unless City agrees to pay the increase, or **(d)** subject Landlord to any liability or responsibility for injury to any person or property solely because of the business operation conducted by City in the Premises; provided, however, Landlord will provide City with reasonable prior written notice of any applicable insurance requirements and no insurance requirements will materially and adversely interfere with City's normal business in the Premises.

11. SUBORDINATION

Subject to subsection (b) below, this Lease is subject and subordinate at all times to the following (each an "**Encumbrance**"): **(i)** any reciprocal easement agreements, ground leases, or other underlying leases that may later be executed affecting Landlord's interest in the Property (or any portion of it), and **(ii)** the lien of any mortgages or deeds of trust and renewals, modifications, consolidations, replacements, and extensions of any of the foregoing that may be executed by Landlord at any time in any amount for which any part of the Property, any ground lease, or underlying lease, or Landlord's interest or estate in them is subject. But, if the ground lessor, mortgagee, trustee, or holder of any mortgage or deed of trust (each an "**Encumbrancer**") elects to have City's interest in this Lease be superior to its Encumbrance, then, on City's receipt of a notice from the Encumbrancer, this Lease will be deemed superior, whether this Lease was executed before or after the date of the Encumbrance or the date of its recording. The provisions of this subsection are self-operative and no further instrument will be required. At Landlord's request, however, City will enter into a subordination, nondisturbance, and attornment agreement ("**SNDA**") with Encumbrancer in a form reasonably acceptable to City and Encumbrancer evidencing the subordination or superiority of this Lease. City's covenant under this subsection (a) to subordinate this Lease to any Encumbrance is conditioned on each senior instrument containing the commitments in subsection (b) below.

If any mortgage or deed of trust to which this Lease is subordinate is foreclosed or a deed in lieu of foreclosure is given to the mortgagee or beneficiary, or if any ground lease or underlying lease to which this Lease is subordinate is terminated, then this Lease will not be barred, terminated, cut off, or foreclosed and the rights and possession of City under this Lease will not be disturbed unless an Event of Default has occurred and is continuing. City will attorn to and become the

tenant of the successor-in-interest to Landlord, provided that City has received proper written notice of the succession and the name and address of the successor landlord. The provisions of this Section are self-operative and no further instrument will be required. Landlord agrees, however, upon request by City and in a form reasonably acceptable to City and Encumbrancer to cause any Encumbrancer to execute an SNDA evidencing the foregoing non-disturbance provisions together with the subordination or superiority of this Lease.

12. DAMAGE AND DESTRUCTION

(a) If the Premises, the Building, or any Building Systems are damaged by fire or other casualty, Landlord will repair the same without delay (and if Landlord is then carrying insurance on the Leasehold Improvements or if, at its sole option, City makes sufficient funds available to Landlord, Landlord will also repair the Leasehold Improvements) so long as the repairs can be made under applicable Laws within seventy five (75) days after Landlord obtains all necessary permits but not later than two hundred ten (210) days after the date of the damage (the “**Repair Period**”). If Landlord is obligated to repair as provided above, then this Lease will remain in full force and effect, except that City will be entitled to an abatement of Rent until the Premises are restored to their condition before the casualty. The abatement in Rent will be based on the extent to which the damage, the making of the repairs, and reoccupying the repaired Premises interferes with City’s use of the Premises. Landlord’s repairs will not include, and the Rent will not be abated as a result of, any damage by fire or other cause to City’s Personal Property or any damage caused by the negligence or willful misconduct of City or its Agents. Notwithstanding the foregoing, Landlord shall have the right to elect not to repair in the event that the damage is caused by a risk not covered by Landlord’s insurance, the proceeds of available insurance are less than eighty percent (80%) of the cost of restorations or the restoration cannot be completed within seventy five (75) days as the commencement of work in the opinion of Landlord’s architect. If Landlord so elects, Landlord shall give notice to City within thirty (30) days after such damage terminating this Lease as of a date to be specified in such notice, which date shall be not less than thirty (30) nor more than sixty (60) days after giving such notice. In the event of the giving of such notice, this Lease shall expire and all interest of City in the Premises shall terminate on such date so specified in such notice and the rent, reduced by any proportionate reduction based upon the extent, if any, to which said damage interfered with the use and occupancy of City, shall be paid to the date of such termination.

(b) Within twenty (20) days after the date of the damage, Landlord will notify City whether, in Landlord’s reasonable judgment made in good faith, the repairs can be made within the Repair Period. If the repairs cannot be made within the Repair Period, then either party may terminate this Lease by giving written notice to the other given within thirty (30) days after the date of Landlord’s notice. The termination date will be the date specified in the termination notice, which date may be not less than thirty (30) or more than sixty (60) days after Landlord’s notice. If either party elects to terminate this Lease, then the Rent will be reduced by a proportionate amount based on the extent to which the damage interferes with the normal conduct of City’s business in the Premises, and City will pay the reduced Rent up to the date of termination. Landlord will refund to City any Rent previously paid for any period after the date of termination.

(c) Notwithstanding the foregoing, if the Premises are damaged or destroyed by flood or earthquake, and the damage or destruction is not fully covered by insurance proceeds payable under the insurance policies Landlord is required to carry under this Lease (excluding any deductible, for which Landlord is solely responsible), then Landlord may terminate this Lease by written notice to City within thirty (30) days after the date Landlord receives written notice that the damage is not covered by insurance. Landlord’s termination notice must include adequate written evidence of the denial of insurance coverage. If Landlord does not elect to terminate this Lease, then subsections (a) and (b) will apply.

(d) If during the last six (6) months of the Term there is substantial damage that Landlord would be required to repair under this Section, then within thirty (30) days after the date of the damage Landlord or City may, each at its option, terminate this Lease as of the date the damage occurred by giving written notice to the other party of its election to do so.

(e) The parties intend that the provisions of this Section fully govern their rights and obligations in the event of damage or destruction. Accordingly, Landlord and City each waives and releases any right to terminate this Lease in whole or in part under Section 1932, subdivision 2, Section 1933, subdivision 4, and Sections 1941 and 1942 of the Civil Code of California or under any similar Law now or later in effect, to the extent those rights are inconsistent with the provisions of this Section.

13. EMINENT DOMAIN

13.1 Definitions

“**Taking**” means a taking or damaging, including severance damage, by eminent domain, inverse condemnation, or for any public or quasi-public use under law. A Taking may occur pursuant to the recording of a final order of condemnation, or by voluntary sale or conveyance in lieu of condemnation, or in settlement of a condemnation action.

“**Date of Taking**” means the earlier of (a) the date on which title to the portion of the Property taken passes to and vests in the condemnor or (b) the date on which City is dispossessed.

“**Award**” means all compensation, sums, or anything of value paid, awarded or received for a Taking, whether under any judgment, agreement, settlement, or otherwise.

13.2 General

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

13.3 Total Taking; Automatic Termination

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

13.4 Partial Taking; Election to Terminate

(a) If there is a Taking of any portion (but less than all) of the Premises, then this Lease will terminate in its entirety if all of the following exist: (i) the partial Taking renders the remaining portion of the Premises untenable or unsuitable for continued use by City for its intended purposes or otherwise materially adversely affects City’s normal operations in the Premises or access to the Premises, (ii) the condition rendering the Premises untenable or unsuitable or that materially adversely affects City’s normal operations or limits access to the Premises either is not curable or is curable but Landlord is unwilling or unable to cure the condition, and (iii) City elects to terminate.

(b) If a partial Taking of a substantial portion of the Building occurs, a but subsection (a) above does not apply, then within thirty (30) days after the Date of Taking either City or Landlord may terminate this Lease by written notice to the other, provided that, as a condition to City's right to terminate, the portion of the Building taken must, in City's reasonable judgment, render the Premises unsuitable for continued use by City for its intended purposes or otherwise materially adversely affect City's normal operations in the Premises or access to the Premises.

(c) If either party elects to terminate this Lease under this Section, then this Lease will terminate on the later of the thirtieth (30th) day after the written notice is given or the Date of Taking.

13.5 Termination of Lease; Rent and Award

On termination of this Lease in its entirety under Section 13.3 (Total Taking; Automatic Termination) or under Section 13.4 (Partial Taking; Continuation of Lease), then: (a) City's obligation to pay Rent will continue up until the date of termination and then will cease, and (b) Landlord will be entitled to the entire Award, except that City will receive any portion of the Award for the unamortized cost of any Leasehold Improvements paid for by City and any Award made specifically for City's relocation expenses or the interruption of or damage to City's business or damage to City's Personal Property.

13.6 Partial Taking; Continuation of Lease

If there is a partial Taking of the Premises and this Lease is not terminated in its entirety under Section 13.4 (Partial Taking; Continuation of Lease) above, then this Lease will terminate as to the portion of the Premises taken, but will remain in effect as to the portion not taken, and the rights and obligations of the parties will be as follows: (a) Rent will be equitably reduced depending on the configuration of the Premises and the portion taken (for instance, if the area of the Premises taken has no special or significant use, then the reduction may be by an amount that is in the same ratio to the Rent as the area of the Premises taken bears to the area of the Premises before the Date of Taking), and (b) Landlord will be entitled to the entire Award in connection therewith, provided that City will receive any portion of the Award for the unamortized cost of any Leasehold Improvements paid for by City in the portion of the Premises taken and any Award made specifically for City's relocation expenses or the interruption of or damage to City's business or damage to City's Personal Property.

13.7 Temporary Taking

Notwithstanding anything to contrary in this Section, if a Taking of the Premises occurs for sixty (60) consecutive days or fewer, this Lease will remain unaffected by the temporary Taking, and City will continue to pay Rent and to perform all of the terms, conditions, and covenants of this Lease. In the event of a temporary Taking, City will be entitled to receive that portion of any Award representing compensation for the use or occupancy of the Premises during the Term up to the total Rent owing by City and any out-of-pocket costs incurred by City due to the temporary Taking for the period of the Taking.

14. ASSIGNMENT AND SUBLETTING

Except as provided in this Section, City may not directly or indirectly sell, assign, encumber, pledge, or otherwise transfer or hypothecate all or any part of its interest in or rights with respect to the Premises or its leasehold estate created by this Lease or permit all or any portion of the Premises to be occupied by anyone other than itself or sublet all or any portion of the Premises, without Landlord's prior written consent in each instance, which will not be unreasonably withheld, conditioned, or delayed. From time to time, on notice to Landlord, but

without Landlord’s consent, City may transfer this Lease or use and occupancy of all or any of the Premises to any department, commission, or agency of the City and County of San Francisco for uses permitted under this Lease. .” Any subletting or assignment hereunder by City shall not result in City being released or discharged from any liability under this Lease. As a condition to Landlord's prior written consent as provided for in this paragraph, the subtenant or assignee, as the case may be, shall agree in writing to comply with and be bound by all of the terms, covenants, conditions, provisions and agreements of this Lease, and City shall deliver to Landlord, promptly after execution, an executed copy of each sublease or assignment, as the case may be, and an agreement of said compliance by each sublessee or assignee. Landlord's consent to one sale, assignment, encumbrance, subletting, lien or other transfer shall not be deemed to be a consent to any subsequent occurrence and any such transaction which does not comply with the provisions of this paragraph shall be void.

City shall pay all reasonable and actual costs of any subletting or assignment, including without limitation, real estate commissions and Landlord’s reasonable attorney’s fees expended in connection therewith (not to exceed \$2,500). Any net profit from any subletting or assignment shall be paid one half to Landlord and one half to City by any assignee or subtenant after payment of expenses, including any cost of improvements to the Premises, brokerage commissions, free rent and other concessions, and permit fees. Such net profit shall include, without limitation, an increase in rental over that paid by City under this Lease and any other consideration (or its cash equivalent) for execution of the assignment or sublease; provided, however, that net profit shall not include any profit from the sale of personal property. As a condition to any subletting or assignment, all assignees and subtenants shall verify in writing to Landlord all consideration paid or given or to be paid or given for such sublease or assignment.

15. DEFAULT; REMEDIES

15.1 Events of Default by City

Any of the following will constitute an “**Event of Default**” by City:

(a) After Landlord is qualified as an approved vendor, as provided in Section 0 (Payments by City) above, City fails to make any timely payment of Rent and to cure the nonpayment within five (5) business days after receipt of written notice of nonpayment from Landlord, provided that for the first two (2) monthly payments of Rent at the beginning of the Term and for the first monthly payment of Rent after the beginning of each new fiscal year for City or any Adjustment Date, City will have twenty (20) days after written notice from Landlord to cure any nonpayment.

(b) City’s abandons the Premises (within the meaning and under the requirements of California Civil Code Section 1951.3).

(c) City’s failure to perform any other of its covenants or obligations under this Lease (not involving the payment of money) and failure to cure the non-performance within thirty (30) days of the date of receipt of Landlord’s notice of the failure, provided that if more than thirty (30) days are reasonably required for the cure, no Event of Default will occur if City commences the cure within the thirty (30)-day period and diligently prosecutes the cure to completion.

15.2 Landlord’s Remedies

On the occurrence and during the continuance of any Event of Default by City, Landlord will have all rights and remedies available under law or granted pursuant to this Lease, including the following:

The rights and remedies provided by California Civil Code Section 1951.2 (damages on termination for breach), including the right to terminate City's right to possession of the Premises and to recover the worth at the time of award of the amount by which the unpaid Rent for the balance of the Term after the time of award exceeds the amount of rental loss for the same period that City proves could be reasonably avoided, as computed under subsection (b) of Section 1951.2.

The rights and remedies provided by California Civil Code Section 1951.4 (continuation of lease after breach and abandonment), which allows Landlord to continue this Lease in effect and to enforce all of its rights and remedies under this Lease, including the right to recover Rent as it becomes due, for so long as Landlord does not terminate City's right to possession, if City has the right to sublet or assign, subject only to reasonable limitations. Acts of maintenance or preservation or efforts to relet the Premises shall not constitute a termination of City's right to possession

[intentionally omitted]

15.3 Landlord's Default

If Landlord fails to perform any of its obligations under this Lease, then (without limiting any of City's other cure rights under this Lease), at its sole option, City may cure the default at Landlord's expense if the default continues after ten (10) days after the date City gives notice to Landlord of City's intention to perform the cure. However, if Landlord cannot with due diligence cure the default within the ten (10)-day period, then the ten (10)-day period will be extended if, promptly on receipt of City's notice, Landlord advises City of Landlord's intention to take all steps required to cure the default, and Landlord promptly commences the cure and diligently prosecutes the cure to completion. But if any default by Landlord continues for sixty (60) days and materially impairs City's ability to carry on its normal business in the Premises, then City may terminate this Lease on written notice to Landlord within thirty (30) days after the expiration of the sixty (60)-day period. Subject to the other provisions of this Lease relating to abatement of Rent, if Landlord fails to cure any default within the ten (10)-day cure period provided above (as it may be extended as provided above) and the default materially interferes with City's use of the Premises, then, whether or not City elects to cure Landlord's default, the Rent will be abated based on the extent to which the default interferes with City's ability to carry on its normal business at the Premises. City's rights under this Section and under any other provisions of this Lease will not limit in any way any of its other rights and remedies under this Lease or at law or in equity.

16. INDEMNITIES

16.1 City's Indemnity

City will indemnify, defend, and hold harmless ("**Indemnify**") Landlord and its Agents from and against any and all claims, losses, damages, costs, and expenses, including reasonable attorneys' fees (collectively, "**Claims**"), incurred as a result of (a) City's use or occupancy of the Premises, or (b) any negligent acts or omissions of City or its Agents or Invitees in, on, or about the Premises or the Property; provided, however, City will not be obligated to Indemnify Landlord or its Agents to the extent any Claim arises out of the negligence or willful misconduct of Landlord or its Agents. In any action or proceeding brought against Landlord or its Agents because of a Claim Indemnified by City under this Section, at its sole option, City may elect to defend the Claim by attorneys in City's Office of the City Attorney, by other attorneys selected by City, or both. City will have the right to control the defense and to determine the settlement or compromise of any action or proceeding, provided that Landlord will have the right, but not the obligation, to participate in the defense of the Claim at its sole cost and provided further that no such settlement shall obligate Landlord in any manner without the prior written approval of

Landlord. City hereby assumes all risks and waives all claims against Landlord for any damage to property or any injury to or death of any person in or about the Premises or the Building arising from any cause whatsoever except to the extent caused by the negligence or willful misconduct of Landlord or its Agents. City's obligations under this Section will survive the termination of the Lease.

16.2 Landlord's Indemnity

Landlord will Indemnify City and its Agents against any and all Claims incurred as a result of **(a)** any default by Landlord in the performance of any of its obligations under this Lease or any breach of any representations or warranties made by Landlord under this Lease (including, without limitation, Landlord's covenants and representations and warranties in Section 10.1), or **(b)** any negligent acts or omissions of Landlord or its Agents in, on, or about the Premises or the Property; provided, however, Landlord will not be obligated to Indemnify City or its Agents to the extent any Claim arises out of the negligence or willful misconduct of City or its Agents. In any action or proceeding brought against City or its Agents because of a Claim Indemnified by Landlord under this Section, at its sole option, Landlord may elect to defend the Claim by attorneys selected by Landlord. Landlord will have the right to control the defense and to determine the settlement or compromise of any action or proceeding, provided that City will have the right, but not the obligation, to participate in the defense of any Claim at its sole cost. Landlord's obligations under this Section will survive the termination of this Lease.

17. INSURANCE

17.1 City's Self-Insurance

Landlord acknowledges that City maintains a program of self-insurance and City is not be required to carry any insurance with respect to this Lease. City assumes the risk of damage to any of City's Personal Property, except for damage caused by the negligence or willful misconduct Landlord or its Agents. City acknowledges that Landlord may require any assignee or sublessee of the Lease to maintain such insurance coverage as Landlord customarily requires for tenants in the Building.

17.2 Landlord's Insurance

(a) At all times during the Term, Landlord will keep the Building insured against damage and destruction by fire, vandalism, malicious mischief, sprinkler damage (excluding earthquake sprinkler leakage) and other perils customarily covered under a cause of loss-special form property insurance policy in an amount equal to one hundred percent (100%) of the full insurance replacement value (replacement cost new, including debris removal and demolition). Notwithstanding the foregoing, Landlord shall not be obligated to carry earthquake insurance. Upon City's request, Landlord will provide to City a certificate of insurance issued by the insurance carrier, evidencing the required insurance. The certificate must expressly provide that the policy is not cancelable or subject to reduction of coverage or otherwise subject to modification except after thirty (30) days' prior written notice to City (or, if the insurer refuses to provide notice to the City, then Landlord will provide such thirty (30)-day prior notice to City). Landlord waives any rights against City for loss or damage to the Premises or any other part of the Property.

(b) In addition, Landlord will procure and keep in effect at all times during the Term insurance as follows: **(i)** commercial general liability insurance with limits not less than One Million Dollars (\$1,000,000) each occurrence combined single limit for bodily injury and property damage, including contractual liability, independent contractors, broad-form property damage, fire damage legal liability (of not less than Fifty Thousand Dollars (\$50,000)), personal injury, products and completed operations, and explosion, collapse, and underground (XCU);

and (ii) worker's compensation insurance in the amounts required by applicable Laws and employer's liability with limits not less than One Million Dollars (\$1,000,000) each accident. All insurance policies required by this Lease to be maintained by Landlord must be endorsed to provide for thirty (30) days' prior written notice of cancellation for any reason, intended non-renewal, or reduction in coverage to Landlord and City (or, if such endorsement is not available from the insurer, Landlord will provide such notice to City).

(c) Landlord will maintain loss of rent coverage for a twelve (12) month period.

(d) Landlord will maintain such umbrella policy and additional coverage as it reasonably determines necessary or as required by any Encumbrancer. The parties agree that the minimums set forth in this Section will be re-evaluated every five (5) years, and increased to the extent consisted with similarly situated landlords and properties.

17.3 Waiver of Subrogation

Notwithstanding anything to the contrary in this Lease, each party waives any right of recovery against the other party for any loss or damage relating to the Building or the Premises or any operations or contents in the Building, whether or not the loss is caused by the other party's fault or negligence, to the extent the loss or damage is covered, (i) with respect to Landlord, by Landlord insurance that is required under this Lease or any excess coverage otherwise held by Landlord or its Agents; and (ii) with respect to City, by matters which are self-insured and which customarily would be covered by insurance held by tenants in the Building. Landlord and any non-City successor to City will use its reasonable best efforts to obtain a waiver of subrogation endorsement from applicable insurance carriers issuing policies relating to the Building or the Premises, but Landlord's failure to do so will not affect the above waiver.

18. ACCESS BY LANDLORD

Landlord reserves for itself and any of its designated Agents the right to enter the Premises at all reasonable times and, except in cases of emergency (in which event Landlord will give any reasonable notice), after giving City at least twenty four (24) hours' advance written notice, to (a) inspect the Premises, (b) supply any service to be provided by Landlord under this Lease, (c) show the Premises to any prospective purchasers, mortgagees or, during the last six (6) months of the Term, tenants, (d) post notices of non-responsibility, and (e) alter, improve, or repair the Premises and any portion of the Building, and, for that purpose, Landlord may erect, use, and maintain necessary structures in and through the Premises where reasonably required by the work to be performed, provided that the entrance to the Premises may not be blocked and Landlord shall use its best efforts not to interfere with City's use of the Premises. Landlord and its agents shall be, at all times, during access within the Premises, accompanied by staff of Child Support Services; provided, however, that Landlord shall have right to access the Premises in an emergency without such accompaniment if Landlord has used commercially reasonable efforts to contact City for the purpose of having such accompaniment and City has failed to respond. Landlord shall at all times have a key (or key fob) to unlock all of the doors in and about the Premises which shall only be used during emergencies unless accompanied by a staff member of Child Support Services.

19. ESTOPPEL CERTIFICATES

From time to time during the Term, by not less than thirty (30) days' prior written notice to the other party, either party may request the other party to execute, acknowledge, and deliver to the persons or entities designated by the other party a certificate stating: (a) the Commencement Date and Expiration Date of this Lease, (b) that this Lease is unmodified and in full force and effect (or, if there have been modifications, this the Lease is in full force and effect

as modified and stating the modifications), **(c)** that there are no defaults under this Lease (or if so, specifying the same), and **(d)** the date to which Rent has been paid.

20. SURRENDER OF PREMISES

On the expiration or sooner termination of this Lease, City will surrender the Premises to Landlord in good order and condition, excepting reasonable use and wear and damage by fire or other casualty or condemnation. Within two (2) days after the Expiration Date, City will remove from the Premises all of City’s Personal Property, City’s telecommunications, data, and computer facilities and any Alterations City desires or is required to remove from the Premises under the provisions of Section 7.1 (Alterations by City). City will repair or pay the cost of repairing any damage to the Premises or the Building resulting from that removal. City will not be required to demolish or remove from the Premises any of the Leasehold Improvements. City’s obligations under this Section will survive the expiration or earlier termination of this Lease.

21. HAZARDOUS MATERIALS

21.1 Definitions

As used in this Lease, the following terms are defined below:

“Environmental Laws” means any Law relating to industrial hygiene, environmental conditions, or Hazardous Material, whether now in effect or later adopted.

“Hazardous Material” means any material that, because of its quantity, concentration, or physical or chemical characteristics, is deemed by any federal, state, or local governmental authority to pose a present or potential hazard to human health or safety or to the environment. Hazardous Material includes any material or substance defined as a “hazardous substance,” or “pollutant” or “contaminant” under the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (“CERCLA”, also commonly known as the Superfund law), as amended (42 U.S.C. Section 9601 et seq.), or under California Health & Safety Code Section 25316; any “hazardous waste” listed under California Health & Safety Code Section 25140; any asbestos and asbestos containing materials whether or not those materials are part of the structure of the Building or are naturally occurring substances on or about the Property; and petroleum, including crude oil or any fraction thereof, natural gas, or natural gas liquids.

“Release” when used with respect to Hazardous Material includes any actual or imminent spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing into or inside the Building, or in, on, under, or about the Property.

21.2 Landlord’s Representations and Covenants

Landlord represents and warrants to City that, to the best of Landlord’s knowledge, the following statements are true and correct and will be true and correct as of the Commencement Date: **(a)** the Property is not in violation of any Environmental Laws; **(b)** the Property is not now, and has not been, used for the manufacture, use, storage, discharge, deposit, transportation, or disposal of any Hazardous Material, except for the use of Hazardous Material in the diesel storage tank on the roof of the Building and in limited quantities as are customarily used in offices, which limited use is and has been in compliance with Environmental Laws; **(c)** the Property does not consist of any landfill or contain any underground storage tanks; **(d)** the Building does not contain any asbestos-containing materials or have building materials that contain any other Hazardous Material, and the Premises or the common areas of the Building do

not contain any lead-based paints; (e) there is and has been no Release of any Hazardous Material in the Building or in, on, under, or about the Property; and (f) the Property is not subject to any claim by any governmental regulatory agency or third party related to the Release of any Hazardous Material, and there is no inquiry by any governmental agency (including the California Department of Toxic Substances Control or the Regional Water Quality Control Board) with respect to the presence of Hazardous Material in the Building or in, on, under, or about the Property, or the migration of Hazardous Material from or to other real property. Subject to City’s obligations under this Section below, Landlord will maintain the Property throughout the Term in compliance with all Environmental Laws that could affect the health, safety, and welfare of City’s employees or City’s use, occupancy, or enjoyment of the Premises for their intended purposes.

21.3 Landlord’s Environmental Indemnity

Without limiting Landlord’s Indemnity in Section 16.2 (Landlord’s Indemnity), Landlord will Indemnify City and its Agents against any and all Claims arising during or after the Term (a) as a result of any breach of any of Landlord’s representations, warranties, or covenants in the preceding Section, or (b) in connection with any presence or Release of Hazardous Material in the Building or on, under, or about the Property caused by Landlord or its Agents.

21.4 City’s Covenants

Neither City nor its Agents will cause any Hazardous Material to be brought on, kept, used, stored, generated, or disposed of in, on or about the Premises or the Property, or transported to or from the Premises or the Property, in violation of any Environmental Laws.

21.5 City’s Environmental Indemnity

If City breaches its obligations contained in the preceding Section 21.4 (City’s Covenants), or if City or its Agents cause the Release of Hazardous Material from, in, on, or about the Premises or the Property, then City will Indemnify Landlord against any and all Claims arising during or after the Term as a result of the Release, except to the extent Landlord or its Agents is responsible for the Release. The foregoing Indemnity will not include any Claims resulting from the non-negligent aggravation by City, its Agents, or Invitees of physical conditions of the Premises, or other parts of the Property, existing before City’s occupancy.

22. SPECIAL PROVISIONS – INTENTIONALLY OMITTED

23. CITY PROVISIONS

23.1 MacBride Principles - Northern Ireland

The provisions of San Francisco Administrative Code Section 12F are incorporated into this Lease by this reference and made part of this Lease. Landlord confirms that Landlord 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.

23.2 Controller’s Certification of Funds

The terms of this Lease are governed by and subject to the budgetary and fiscal provisions of City’s Charter. Notwithstanding anything to the contrary contained in this Lease, there will be no obligation for the payment or expenditure of money by City under this Lease unless the Controller of the City and County of San Francisco first certifies, under Section 3.105 of City’s Charter, that there is a valid appropriation from which the expenditure may be made

and that unencumbered funds are available from the appropriation to pay the expenditure; provided, however, Landlord shall have the right to terminate City’s tenancy in accordance with Section 15 if City fails to timely pay rent. Without limiting the foregoing, if in any fiscal year of City after the fiscal year in which the Term of this Lease commences, sufficient funds for the payment of Rent are not appropriated, then City may terminate this Lease, without penalty, liability, or expense of any kind to City, as of the last date on which sufficient funds are appropriated. City will use its best efforts to give Landlord reasonable advance notice of the termination. City shall use its best efforts to obtain sufficient funds for the payment of Rent and any other payments due under the Lease.

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

Landlord will include, and require its 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 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. Landlord’s failure to comply with its obligations under this Section will constitute a material breach of this Lease. A Contractor’s or Subcontractor’s failure to comply with this Section will enable City to seek the remedies specified in San Francisco Administrative Code Section 23.61 against the breaching party.

23.4 Non Discrimination in City Contracts and Benefits Ordinance

(a) Covenant Not to Discriminate

In the performance of this Lease, Landlord will not to discriminate against any employee of Landlord, any City employee working with Landlord, any applicant for employment with Landlord, 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 those protected classes, or in retaliation for opposition to discrimination against those classes.

(b) Subcontracts

Landlord will include in all subcontracts relating to the Premises a non-discrimination clause applicable to the subcontractor in substantially the form of subsection (a) above. In addition, Landlord will incorporate by reference in all subcontracts the provisions of San Francisco Administrative Code Sections 12B.2(a), 12B.2(c)-(k), and 12C.3 and require all subcontractors to comply with those provisions. Landlord's failure to comply with the obligations in this subsection will constitute a material breach of this Lease.

(c) Non-Discrimination in Benefits

Landlord 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 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 the employees, where the domestic partnership has been registered with a governmental entity under state or local law authorizing that registration, subject to the conditions set forth in San Francisco Administrative Code Section 12B.2(b).

(d) CMD Form

As a condition to this Lease, Landlord 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 (the "CMD"). Landlord represents that before execution of the Lease: (i) Landlord 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 San Francisco Administrative Code Chapters 12B and 12C relating to non-discrimination by parties contracting for the lease of property to City are incorporated into this Section by reference and made a part of this Lease as though fully set forth. Landlord will comply fully with and be bound by all of the provisions that apply to this Lease under Administrative Code Chapters 12B and 12C, including the remedies provided in those Chapters. Without limiting the foregoing, Landlord understands that under San Francisco Administrative Code Section 12B.2(h) a penalty of Fifty Dollars (\$50) for each person for each calendar day during which that person was discriminated against in violation of the provisions of this Lease may be assessed against Landlord and/or deducted from any payments due Landlord.

23.5 Tropical Hardwood and Virgin Redwood Ban

(a) Except as expressly permitted by San Francisco Environment Code Sections 802(b) and 803(b), neither Landlord nor any of its contractors may provide any items to City in the construction of the Leasehold Improvements or otherwise in the performance of this Lease that are tropical hardwood, tropical hardwood wood products, virgin redwood, or virgin redwood wood products.

(b) The City and County of San Francisco 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 products.

(c) If Landlord fails to comply in good faith with any of the provisions of San Francisco Environment Code Chapter 8, Landlord will be liable for liquidated damages for

each violation in an amount equal to Landlord’s net profit on the contract, or five percent (5%) of the total amount of the contract dollars, whichever is greatest. Landlord acknowledges and agrees that the liquidated damages assessed will be payable to the City and County of San Francisco on demand and may be set off against any monies due to Landlord from any contract with City.

23.6 Bicycle Parking Facilities

San Francisco Planning Code (the “**Planning Code**”) Article 1.5, Section 155.3 requires that bicycle parking must be provided at City-leased buildings at no cost to Landlord. During the Term, City will have the right to install and maintain, at no cost to Landlord, all Class 1 Bicycle Parking Spaces (as defined in the Planning Code) and all Class 2 Bicycle Parking Spaces (as defined in the Planning Code) in the Building locations designated by Landlord and required under the Planning Code.

23.7 Resource-Efficient City Buildings

Landlord acknowledges that the City and County of San Francisco has enacted San Francisco Environment Code Section 704(c)(3)(A) relating to the provision of adequate, accessible, and convenient areas for the collection, storage, and loading of 100% of recyclable, compostable, and refuse materials. Landlord will comply with all applicable provisions of that code section while this Lease is in effect. The parties acknowledge that any construction activity performed by City will constitute a “Municipal Construction Project” as that term is defined in Section 701 of the San Francisco Environmental Code.

23.8 Sunshine Ordinance

In accordance with San Francisco Administrative Code Section 67.24(e), 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.

23.9 Conflicts of Interest

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

23.10 Notification of Prohibition on Contributions

By executing this Lease, Landlord acknowledges its obligations under Section 1.126 of the City’s Campaign and Governmental Conduct Code, which prohibits any person who leases, or seeks to lease, to or from any department of the City any land or building from making any campaign contribution to (a) a City elected official if the lease must be approved by that official, (b) a candidate for that City elective office, or (c) a committee controlled by that elected official or a candidate for that office, at any time from the submission of a proposal for the lease until the later of either the termination of negotiations for the lease or twelve (12) months after the date the City approves the lease. Landlord acknowledges that the foregoing restriction applies only if

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

23.11 Preservative-Treated Wood Containing Arsenic

Landlord 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 under Environment Code Section 1304. The term “preservative-treated wood containing arsenic” means wood treated with a preservative that contains arsenic, elemental arsenic, or an arsenic copper combination, including chromated copper arsenate preservative, ammoniac copper zinc arsenate preservative, or ammoniacal copper arsenate preservative. Landlord may purchase preservative-treated wood products on the list of environmentally preferable alternatives prepared and adopted by the Department of Environment. This provision does not preclude Landlord from purchasing preservative-treated wood containing arsenic for saltwater immersion. The term “saltwater immersion” means a pressure-treated wood that is used for construction purposes or facilities that are partially or totally immersed in saltwater.

24. GENERALLY APPLICABLE PROVISIONS

24.1 Notices

Except as otherwise specifically provided in this Lease, any notice given under this Lease must be in writing and given by delivering the notice in person or by commercial courier, or by sending it by first-class mail, certified mail, return receipt requested, or Express Mail, return receipt requested, with postage prepaid, to: **(a)** City at City’s address set forth in the Basic Lease Information; or **(b)** Landlord at Landlord’s address set forth in the Basic Lease Information; or **(c)** any other address designated by as either Landlord or City as its new address for notices by notice given to the other in accordance with this Section. A properly addressed notice transmitted by one of the foregoing methods will be deemed received upon confirmed delivery, attempted delivery, or rejected delivery. For convenience of the parties, copies of notices may also be given by email to the email address number set forth in the Basic Lease Information or any other email address as may be provided from time to time, but, neither party may give official or binding notice by email.

24.2 No Implied Waiver

No failure by either party to insist on the strict performance of any obligation of the other party under this Lease or to exercise any right, power, or remedy after a breach of this Lease will constitute a waiver of any breach or of term, covenant, or condition. No acceptance of full or partial Rent by Landlord while City is in default will constitute a waiver of the default by Landlord. No express written waiver of any default or the performance of any provision if this Lease will affect any other default or performance, or cover any other period of time, other than the default, performance, or time specified in the express waiver. One or more written waivers of a default or the performance of any provision of this Lease will not be deemed to be a waiver of a subsequent default or performance. The consent of Landlord or City given in one instance

under the terms of this Lease will not relieve the other party of any obligation to secure the consent to any other or future instance under the terms of the Lease.

24.3 Amendments

The terms and provisions of this Lease may only be changed, waived, discharged, or terminated by a written instrument signed by both parties. No waiver of any breach will affect or alter this Lease, and 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. Whenever this Lease requires or permits City's consent or approval, the Director of Property, or his or her designee, will be authorized to provide the consent or approval, except as otherwise provided below and by applicable Law, including the Charter of the City and County of San Francisco.. City's agreement to any amendments or modifications to this Lease (including the exhibits) may be made on the sole approval of the 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)** increasing the Rent, **(d)** changing the general use of the Premises from the use authorized under Section 5.1 (Permitted Use), and **(e)** any other amendment or modification that materially increases City's liabilities or financial obligations under this Lease will also require the approval of City's Board of Supervisors.

24.4 Authority

Landlord represents and warrants to City that it is the sole owner of the Property and the execution and delivery of this Lease by Landlord does not violate any provision of any agreement or any applicable Laws. If Landlord is a corporation, limited liability company, or a partnership, Landlord covenants and warrants that Landlord is a duly authorized and existing entity, that Landlord is qualified to do business in California, that Landlord has the full right and authority to enter into this Lease, and that each person signing on behalf of Landlord is authorized to do so. On City's request, Landlord will provide City with evidence reasonably satisfactory to City confirming these representations and warranties.

24.5 Parties and Their Agents; Approvals

If applicable, the word "**Landlord**" will include the plural as well as the singular. The term "**Agents**" when used with respect to either party includes the agents, managers, members, employees, officers, and contractors of the party, and the term "**Invitees**" when used with respect to City will include the clients, customers, invitees, guests, licensees, assignees, or subtenants of City. All approvals, consents, or other determinations permitted or required by City under this Lease, including City's exercise of any option, must be made by or through City's Director of Property unless otherwise provided in this Lease, subject to any applicable limitations in City's Charter. If there is more than one entity that comprises Landlord, the obligations and liabilities under this Lease imposed on Landlord are joint and several.

24.6 Interpretation of Lease

The captions preceding the articles and sections of this Lease and in the table of contents have been inserted for convenience of reference only and will in no way define or limit the scope or intent of any provision of this Lease. Except as otherwise specifically provided in this Lease, wherever Landlord or City is required or requested to give its consent or approval to any matter or action by the other, the consent or approval will not be unreasonably withheld or delayed and the reasons for disapproval of consent will be stated in reasonable detail in writing. Provisions in this Lease relating to number of days will be calendar days, unless otherwise specified. If the last day of any period to give notice, reply to a notice, or to take any other action occurs on a Saturday, Sunday, or a bank or City holiday, then the last day for taking the action or giving or replying to the notice will be the next succeeding business day. The words "**include**" or

“including” or similar words will not be construed to limit any general term, statement, or other matter in this Lease or any of its attached exhibits, whether or not language of non-limitation, such as “without limitation” or similar words, are used.

24.7 Successors and Assigns

Subject to the provisions of Section 14 (Assignment and Subletting), the terms, covenants, and conditions contained in this Lease will bind and inure to the benefit of Landlord and City and, except as otherwise provided in this Lease, their personal representatives and successors and assigns. There are no third-party beneficiaries to this Lease.

24.8 Brokers

Neither party has had any contact or dealings or communications regarding leasing the Premises through any licensed real estate broker or other person who could claim a right to a commission or finder’s fee in connection with the lease of the Premises, except for the broker, if any, identified in the Basic Lease Information. That broker’s commission is Landlord’s sole responsibility under a separate written agreement between Landlord and the broker, and City has no liability for that commission. If any other broker or finder perfects a claim for a commission or finder’s fee based on any contact, dealings, or communication, the party through whom the broker or finder makes his claim will be responsible for the commission or fee and will Indemnify the other party from any and all Claims incurred by the indemnified party. The provisions of this Section will survive any termination of this Lease.

24.9 Severability

If any provision of this Lease or its application to any person, entity, or circumstance is found to be invalid or unenforceable, the remainder of this Lease, or the application of the provision to persons, entities, or circumstances other than those as to which it is invalid or unenforceable, will not be affected by that finding, and each other provision of this Lease will be valid and be enforceable to the full extent permitted by Law, except to the extent that enforcement of this Lease without the invalidated provision would be unreasonable or inequitable under all the circumstances or would frustrate a fundamental purpose of this Lease.

24.10 Governing Law

This Lease will be construed and enforced in accordance with the laws of the State of California and City’s Charter. Any legal suit, action, or proceeding arising out of or relating to this Lease shall be instituted in the Superior Court for the City and County of San Francisco, and each party agrees to the exclusive jurisdiction of such court in any such suit, action, or proceeding (excluding bankruptcy matters). The parties irrevocably and unconditionally waive any objection to the laying of venue of any suit, action, or proceeding in such court and irrevocably waive and agree not to plead or claim that any suit, action, or proceeding brought in San Francisco Superior Court relating to this Lease has been brought in an inconvenient forum.

24.11 Entire Agreement; Incorporation of Exhibits

The parties intend that this Lease (including all of the attached exhibits, which are made a part of this Lease by this reference) are the final expression of their agreement with respect to the lease of the Premises and may not be contradicted by evidence of any prior or contemporaneous written or oral agreements or understandings. The parties further intend that this Lease will constitute the complete and exclusive statement of its terms and that no extrinsic evidence whatsoever (including prior drafts and changes) may be introduced in any judicial, administrative, or other legal proceeding involving this Lease.

24.12 Holding Over

If City holds over in possession of the Premises after the expiration of the Term with Landlord's consent, that holding over will not be deemed to extend the Term or renew this Lease, and City's tenancy will continue as a month-to-month tenancy until the tenancy is terminated by either party by giving at least thirty (30) days' prior written notice of termination. The month-to-month tenancy will be on all the terms and conditions of this Lease and at the monthly Base Rent in effect during the last month of the Term or as Landlord and City may mutually agree in writing. If City holds over without Landlord's consent, the rent payable by City during the period of holding over will be one hundred ten percent (110%) of the monthly Base Rent in effect during the last month of the Term of this Lease, and the tenancy will otherwise be on the terms and conditions contained in this Lease.

24.13 Cumulative Remedies

All rights and remedies of either party set forth in this Lease are cumulative, except as otherwise specifically provided in this Lease.

24.14 Time of Essence

Time is of the essence for all provisions of this Lease.

24.15 Survival of Indemnities

Termination of this Lease will not affect the right of either party to enforce any indemnities and representations and warranties given or made to the other party, and it will not affect any provision of this Lease that expressly states it will survive termination. With respect to each of the indemnities contained in this Lease, the indemnitor has an immediate obligation to defend the indemnitees from any claim that actually or potentially falls within the indemnity provision even if the claim is or may be groundless, fraudulent, or false, and the obligation to defend arises at the time the claim is tendered to the indemnitor by the indemnitee.

24.16 Signs

City may erect or post exterior signs on or about the Premises with Landlord's prior approval. Landlord reserves the right to review and approve the placement, design, and plan for before erecting or posting any sign, which review and approval will not be unreasonably withheld or delayed. Interior signs not visible from the exterior of the Premises are permitted as provided under Article 7 (Alterations).

24.17 Quiet Enjoyment and Title

Landlord covenants and represents that it has full right, power, and authority to grant the leasehold estate as provided in this Lease, and covenants that City, on paying the Rent and performing the covenants contained in this Lease, will peaceably and quietly have, hold, and enjoy the Premises and all related rights during the Term as against all persons or entities claiming by or through Landlord or on account of any action, inaction, or agreement of Landlord or its Agents. Without limiting the provisions of Section 16.2 (Landlord's Indemnity), Landlord will indemnify City and its Agents against Claims arising out of any assertion that would interfere with City's right to quiet enjoyment as provided in this Section.

24.18 Bankruptcy

Landlord represents and warrants to City that Landlord has neither filed nor been the subject of any filing of a petition under the federal bankruptcy law or any federal or state

insolvency laws or laws for composition of indebtedness or for the reorganization of debtors, and, to the best of Landlord's knowledge, no such filing is threatened. City's leasehold estate under this Lease includes all rights to receive and enjoy all services, facilities, and amenities of the Premises and the Building as provided in this Lease. If any of the services, facilities, or amenities are terminated, or materially limited or restricted because of any such case or proceeding, or for any other reason, City may (a) contract directly with any third-party provider of those services, facilities, or amenities, and (b) offset against the Rent all reasonable costs and expenses incurred by City in obtaining those services, facilities, or amenities.

24.19 Transfer of Landlord's Interest

Landlord may transfer its interest in the Property, the Building, or this Lease to any other financially responsible person or entity. If Landlord transfers its interest in the Property, the Building, or this Lease, then Landlord will be relieved of Landlord's obligations under this Lease accruing from and after the date of the transfer when (a) Landlord has provided notice to City of the name and address of Landlord's successor, and (b) Landlord has delivered to City an express written assumption by the transferee of all of Landlord's obligations under this Lease.

24.20 Non-Liability of City Officials, Employees, and Agents

Notwithstanding anything to the contrary in this Lease, no elected or appointed board, commission, member, officer, employee, or other Agent of City will be personally liable to Landlord, its successors, or its assigns for any City default or breach or for any amount that may become due to Landlord or its successors or assigns, or for any obligation of City under this Lease.

24.21 Counterparts

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

24.22 Effective Date

This Lease will become effective on the date (the "Effective Date") that (a) City's Mayor and Board of Supervisors, at their sole and absolute discretion, adopt a resolution approving this Lease in accordance with all applicable laws and (b) this Lease is duly executed by Landlord and City.

24.23 Cooperative Drafting

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

NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS LEASE, LANDLORD ACKNOWLEDGES THAT NO OFFICER OR EMPLOYEE OF CITY HAS AUTHORITY TO COMMIT CITY TO THIS LEASE UNLESS CITY'S BOARD OF SUPERVISORS HAS DULY ADOPTED A RESOLUTION APPROVING THIS LEASE AND AUTHORIZING CONSUMMATION OF THE TRANSACTION CONTEMPLATED BY THIS LEASE. THEREFORE, ANY OBLIGATIONS OR LIABILITIES OF CITY UNDER THIS LEASE ARE CONTINGENT ON ADOPTION OF THAT RESOLUTION, AND THIS LEASE WILL BE NULL AND VOID UNLESS CITY'S MAYOR AND BOARD OF SUPERVISORS APPROVE THIS LEASE, AT THEIR RESPECTIVE

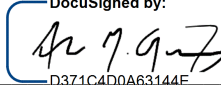
SOLE AND ABSOLUTE DISCRETION, AND IN ACCORDANCE WITH ALL APPLICABLE LAWS. APPROVAL OF THIS LEASE BY ANY DEPARTMENT, COMMISSION, OR AGENCY OF CITY WILL NOT BE DEEMED TO IMPLY THAT THE RESOLUTION WILL BE ADOPTED AND NO SUCH APPROVAL WILL CREATE ANY BINDING OBLIGATIONS ON CITY. IN THE EVENT THAT CITY DOES NOT NOTIFY LANDLORD WITHIN THIRTY (30) DAYS OF THE DATE OF THIS LEASE THAT SAID RESOLUTION HAS BEEN DULY ENACTED, LANDLORD SHALL HAVE THE RIGHT TO TERMINATE THIS LEASE BY SO NOTIFYING CITY. LANDLORD SHALL HAVE NO OBLIGATION TO COMMENCE THE LEASEHOLD IMPROVEMENT WORK UNLESS AND UNTIL SUCH RESOLUTION HAS BEEN DULY ENACTED.

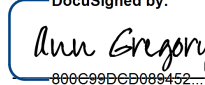
[Signature page follows]

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

LANDLORD:

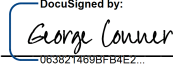
MACLEAN PROPERTIES LLC,
a Delaware limited liability company

By: 
Name: Alan Gregory
Its: Manager

By: 
Name: Ann Gregory
Its: Manager

101 NEW MONTGOMERY STREET, LP,
a Delaware limited partnership

By: 101 New Montgomery Street
Associates, LLC, a Delaware limited
liability company, General Partner

By: 
Name: George Conner
Its: Manager

CITY:

CITY AND COUNTY OF SAN FRANCISCO,
a municipal corporation

By: _____
ANDRICO Q. PENICK
Director of Property

Pursuant to Board of Supervisors Resolution
No. _____.

RECOMMENDED:

DEPARTMENT OF CHILD SUPPORT
SERVICES

KAREN M. ROYE
Director

APPROVED AS TO FORM:

DAVID CHIU, City Attorney

By:

Vincent Brown
Deputy City Attorney

EXHIBIT A

Legal Description of Property/Floor Plan(s)

CONSISTING OF _____ PAGE(S)

EXHIBIT B

NOTICE OF COMMENCEMENT DATE

Date

Mr. Andrico Q. Penick
Director of Property
Real Estate Division
City and County of San Francisco
25 Van Ness Avenue, Suite 400
San Francisco, California 94102

RE: Acknowledgement of Commencement Date, Lease Between
_____ (Landlord), and the CITY AND COUNTY OF
SAN FRANCISCO (Tenant), for premises known as
_____ located at 109 Montgomery Street (aka 617 Mission
Street)

Dear Mr. Penick:

This letter confirms that for all purposes of the Lease, the Commencement Date (as defined in Section 3.2 of the Lease) is January 1, 2025.

Please acknowledge your acceptance of this letter by signing and returning a copy of this letter.

Very truly yours,

By: _____
Title: _____

Accepted and Agreed:

By: _____
Andrico Q. Penick
Director of Property

Dated: _____

EXHIBIT C

BUILDING RULES AND REGULATIONS

Tenant shall observe and comply with the following Rules and Regulations. Landlord shall not be responsible to Tenant or any other person for the non-observance of the Rules and Regulations by another tenant or occupants of the Building.

Landlord reserves the right at any time to change or rescind any one or more of these Rules and Regulations, or to make further reasonable Rules and Regulations as in Landlord's judgment may from time to time be necessary for the management, safety, care and cleanliness of the Premises and Building. Tenant shall be deemed to have read these Rules and Regulations and to have agreed to abide by them as a condition of its occupancy of the Premises.

Landlord may waive any one or more of these Rules and Regulations for the benefit of any particular tenant or tenants, unless such waiver unreasonably interferes with another Tenant's access to or permitted use of the Premises. No such waiver by Landlord shall be construed as a waiver of such Rules and Regulations in favor of any other tenant or tenants, nor prevent Landlord from thereafter enforcing any such Rules or Regulations against any or all tenants of the Building.

1. Landlord reserves the right to close and keep locked all entrance and exit doors of the Building during such hours as are customary for comparable buildings in the area. Tenant, its employees and agents must be sure that the doors to the Building are securely closed and locked when leaving the Premises if it is after the normal hours of business for the Building. Any tenant, its employees, agents or any other persons entering or leaving the Building at any time when it is so locked, or any time when it is considered to be after normal business hours for the Building, may be required to sign the Building register when so doing. Access to the Building may be refused

unless the person seeking access has proper identification or has a previously arranged pass for access to the Building. The Landlord and his agents shall in no case be liable for damages for any error with regard to admission to or exclusion from the Building of any person. In case of invasion, mob, riot, public excitement, or other commotion, Landlord reserves the right to prevent access to the Building during the continuance of same by any means it deems appropriate for the safety and protection of life and property.

2. Landlord reserves the right to exclude or expel from the Building any person who, in the judgment of Landlord, is intoxicated or under the influence of liquor or drugs, or who shall in any manner do any act in violation of any of these Rules and Regulations.

3. Tenant shall comply with all safety, fire protection and evacuation procedures and regulations established by Landlord or any governmental agency.

4. Tenant shall comply with any non-smoking ordinance adopted by the City and County of San Francisco or any other applicable governmental authority.

5. Tenant shall not disturb, solicit, or canvass any occupant of the Building and shall cooperate with Landlord or Landlord's agents to prevent same.

6. Tenant, its employees, and agents shall not loiter in the entrances, exits, or corridors, nor in any way obstruct the sidewalks, lobbies, halls, stairways or elevators, and shall use the same only as a means of ingress and egress for the Premises.

7. Tenant shall not access the roofs or other secured areas of the Building without the prior written consent of the Landlord.

8. Landlord shall have the right to control and operate the public portions of the Building, the public facilities, the heating and air conditioning, and any other facilities furnished for the common use of tenants, in such manner as is customary for comparable buildings in the area.

9. The toilet rooms, urinals, wash bowls and other apparatus shall not be used for any purpose other than that for which they were constructed, and no foreign substance of any kind whatsoever shall be disposed of therein. Tenant shall be responsible for the expense of any breakage, stoppage or damage resulting from the Tenant's misuse thereof.

10. No furniture, freight, packages, supplies, equipment or merchandise will be brought into or removed from the Building or carried up or down in the elevators, except upon prior notice to Landlord, and in such manner, in such specific elevator, and between such hours as shall be designated by Landlord. If security services are deemed necessary by Landlord, Tenant shall be responsible for reimbursing Landlord for such cost. Tenant shall provide Landlord with not less than 24 hours prior notice of the need to utilize an elevator for any such purpose, so as to provide Landlord with a reasonable period to schedule such use and to install such padding or take such other actions or prescribe such procedures as are appropriate to protect against damage to the elevators or other parts of the Building.

11. Tenant shall assume any and all responsibility for protecting the Premises from theft, robbery and pilferage, which includes keeping doors locked and other means of entry to the Premises closed, when the Premises are not occupied. Building Holidays are: New Year's Day, MLK Day, President's Day, Memorial Day, 4th of July, Labor Day, Thanksgiving, Day-After Thanksgiving, and Christmas Day. If tenant shall be open for business on any of these days tenant will be responsible for the cost of any building required services.

12. Landlord will furnish Tenant with two keys to the Premises, at no charge. Additional keys shall be obtained only from Landlord and Landlord may make a reasonable charge for such additional keys. No additional locking devices shall be installed in the Premises by Tenant, nor shall any locking device be changed or altered in any respect without the Landlord's prior written approval. Tenant, upon termination of its tenancy, shall deliver to Landlord all keys to doors in the Building and the Premises that shall have been furnished to Tenant. Landlord acknowledges that Tenant has installed and provides Sonitrol key cards to its staff that grant access to Mission, Minna and New Montgomery Street entrances. No charge shall be required for Sonitrol key cards.

13. Tenant shall not waste electricity, water or air conditioning. Tenant agrees to cooperate fully with Landlord to ensure the most effective operation of the Building's heating and air conditioning system, and shall refrain from attempting to adjust any controls.

14. Tenant shall not use any method of heating (i.e. space heaters) or air conditioning other than that which may be supplied by Landlord, without the prior written consent of Landlord.

15. Tenant shall store all its trash and garbage within the interior of the Premises. No material shall be placed in the trash boxes or receptacles if such material is of a nature that it may not be disposed of in the ordinary and customary manner of removing and disposing of trash and garbage without violation of any law or ordinance governing such disposal. All trash, garbage and refuse disposal shall be made only through entry-ways and elevators provided for such purposes at such times as Landlord shall designate.

16. Tenant shall not employ any person or persons other than the janitor of the Landlord for the purpose of cleaning the Premises, unless otherwise agreed to by Landlord in writing. Tenant shall not cause any unnecessary labor by reason of Tenant's carelessness or indifference in the preservation of good order and cleanliness. Landlord shall in no way be responsible to any Tenant for any loss of property on the Premises, however occurring, or for any damage done to the effects of any tenant by the janitor or any other employee or any other person. Janitorial service shall include ordinary dusting and cleaning by the janitor assigned to such work and shall not include cleaning of carpets or rugs, except normal vacuuming, or moving of furniture and other special services. Janitorial service will not be furnished on nights when rooms are occupied after 9:30 p.m.. Window cleaning shall be done only by Landlord, and only between 6:00 a.m. and 5:00 p.m. All janitors and other Landlord staff who regularly access the Premises shall have a background CLETS check performed (once every 5 years) prior to accessing the Premises.

17. Landlord shall have the right to prescribe the position of safes and other objects of excessive weight. No safe or other objects whose weight exceeds the structural load design for the Building shall be brought into or kept at the Premises. If, in the sole discretion of the Landlord, it

is necessary to distribute the concentrated weight of any heavy object, all work, including any required structural design, involved in such distribution shall be done at the expense of Tenant and in such manner as Landlord shall determine in its sole and absolute discretion.

18. Tenant shall not mark, drive nails or screws, or drill into the partitions, woodwork or plaster or in any way deface the Premises or any part thereof without Landlord's written consent. Notwithstanding the foregoing, Tenant may, without Landlord's written consent, place pictures and normal wall hangings in the Premises provided that Tenant repairs any damage resulting therefrom and Tenant restores the Premises to its condition prior to the placement of such items.

19. Landlord will approve where and how telephone lines are to be run to the Premises. No coring or cutting for lines shall be allowed without the consent of the Landlord. The location of telephone, call boxes and other office equipment affixed to the building shall be subject to the reasonable approval of Landlord.

20. No vending machines or machines of any description shall be installed, maintained or operated upon the Premises without the written consent of the Landlord.

21. Tenant shall not use or keep in or on the Premises or the Building any inflammable or combustible fluid or material, except for such limited supplies of such materials which (i) are general office supplies incidental to the operation of Tenant's general office use in the Premises and are typically and customarily used for general office purposes in first-class, multi-tenant office buildings, (ii) are used only in the manner for which they are designed in compliance with all laws and any reasonable regulations Landlord may adopt for such uses, and (iii) are handled, stored, used and/or disposed of in a safe and healthful manner and pursuant to procedures designed to protect against damage to property and injury to persons. Tenant shall indemnify, defend, protect and hold Landlord harmless from and against any and all loss, cost, liability, damage and expense (including without limitation, court costs and reasonable attorneys' fees) arising from Tenant's use of any such materials.

22. Tenant shall not use, keep or permit the Premises to be occupied or used in manner offensive or objectionable to Landlord or other occupants of the Building by reason of noise, odors, or vibrations, or interfere in any way with other Tenants or those having business therein.

23. No cooking shall be done or permitted by any tenant on the Premises, except that use by Tenant of Underwriters' Laboratory-approved portable equipment for brewing coffee, tea, and similar beverages shall be permitted provided that such use is in accordance with all applicable federal, state and city laws, codes, ordinances, rules and regulations, and does not cause odors which are objectionable to Landlord and other Tenants

24. Tenant shall not bring into or keep within the Building or the Premises any animals, other than Official Medical (doctor's note needed) working dogs, birds, electric bikes, scooters or other vehicles. Working Dogs must have appropriate identification.

25. No signs, placards, pictures, names, advertisements or notices visible from the exterior of the Premises shall be inscribed, painted, affixed or otherwise displayed by Tenant on any part of the Building without the prior written consent of Landlord, which consent will not be

withheld unreasonably by Landlord. Existing Tenant signage is acceptable.

26. No curtains, blinds, shades, screens or other coverings, hangings or decorations shall be attached to, hung or placed in any window of the Premises without the prior written consent of Landlord. All electrical ceiling fixtures hung in offices or spaces along the perimeter of the Building must be fluorescent and/or of a quality, type, design and bulb color approved by Landlord.

27. Tenant shall not place any bottles, parcels or other articles on the windowsills.

28. Tenant will require any maintenance or other vendors doing work for the Tenant in the Property whether it is within the leased premises or in the building common areas to provide the Landlord and Property Manager with a current certificate of insurance before work

29. Bicycles need to be stored inside the tenant premises in accordance with Building and Fire Code safety Ordinances. It is the tenant's responsibility to take on the additional maintenance responsibilities and cost of cleaning or repairing the carpet and walls from bicycle storage.

101 NEW MONTGOMERY STREET
Tenant Improvement Rules and Regulations

Listed below are the building rules and regulations with regard to tenant improvement construction. Please see that these rules and regulations are distributed to all appropriate persons. No exceptions to these rules and regulations will be tolerated without prior approval.

1. **Prior to commencing any work in the building**, tenant shall select a contract subject to the approval of Landlord, which approval shall not be unreasonable withheld or delayed. The selected approved general contractor must submit to the Property Manager a complete list of all union contractors and subcontractors performing work in the building to include: firm name, trade, license number, address, telephone numbers, and contact person for each firm. Tenant and Tenant's contractors shall abide by all reasonable safety rules and regulations of Landlord.
2. All work must meet building standards for quality of installation. Common reminders are: HVAC hot water lines will be insulated and thermostats will be white. Exit Signs will match existing; ceiling insulation will be not laid at any time on the top of the acoustical ceiling system; sprinkler heads must match existing; light sensors to be white.
3. Penetration of existing drywall surfaces is absolutely not allowed without prior authorization.
4. Removal of existing fireproofing is **absolutely not allowed** without prior authorization.
5. Cutting, scrapping or grinding of existing structural steel is **absolutely not allowed** without prior authorization.
6. Building hours are from 8:00 a.m. to 6:00 p.m., Monday through Friday, prior arrangements must be made with the Property Manager to perform construction work outside of these hours. Guard Service will be required outside of these hours, unless special arrangements have been made with the Property Manager. All guard service coverage will be charged to the tenant.
7. **All construction personnel and materials are to use the designated elevator exclusively.** This includes not only entry into the building, but also travel between floors within the building. Any need to hold the elevator to transport materials or tools should be no more than a few minutes. If more time is needed please contact the Property Manager. Also deliveries, which require exclusive use of the elevator, must be scheduled with the Property Manager as well.
8. **Construction personnel are restricted to the floor or floors that they are working on and are not to visit other floors in the building.** Workers shall not be allowed to loiter adjacent to occupied tenant spaces. Workers shall not be allowed to play radios in any area of the building.

9. Construction personnel are to use restrooms **only** on the floor under construction or otherwise specified by the Property Manager. All other restrooms are strictly off limits. Landlord reserves the right to ask Tenant's vendor to provide a port-a-potty at contractor expense.
10. All contractors are responsible for providing floor and carpet protection, door jam guards, and door pads. The floor in the main building lobby must be protected as well as any existing carpeting on developed common corridors and elevator lobbies.
11. All contractors will be responsible for immediate elevator clean-up and vacuuming of areas that are soiled during any construction deliveries. All temporary walk-off mats will be vacuumed at the end of each workday.
12. Where a contractor is doing tenant work on an entire floor, contractor will be required to provide carpet taped or glued to the concrete floor in front of each elevator. On multi-tenant floors where contractor is performing work in one particular suite, carpeted walk off mats should be installed in front of the service elevator or at the direction of the Property Manager. Walk-off mats will be required to be kept lightly damp during construction to prevent dust and footprints being tracked throughout the rest of the building.
13. Appropriate safety maintenance will be the responsibility of each contractor for the area in which he is working. All safety measures must meet local and state requirements.
14. All flammable trash must be removed from the job every day. Construction scrap removal must be performed at least once a week, with each contractor responsible for providing necessary debris boxes. There will be no exceptions to this rule.
15. It will be the responsibility of each contractor and his subcontractors to provide their own measures for securing any equipment or tools stored in the building.
16. Any spraying of lacquer, varnish or other volatile materials must be scheduled in advance with the Property Manager and must be performed after normal building operating hours. Measures to remove fumes from the building must be approved by the Property Manager prior to commencement of work.
17. Any use of power tools in or around tenant spaces must be cleared in advance with the Property Manager. Excessively noisy work shall be scheduled for after business hours. Core drilling, roto-hammering, powder shots, etc. over any tenant occupied space must be scheduled in advance for after business hours.
18. All required interruptions in power, water, HVAC or other essential services shall be scheduled 24 hours in advance with the Property Manager. Work must be performed so it does not interrupt building service.
19. All Life Safety System connections must be scheduled 72 hours in advance through the Property Manager. Testing of the Life Safety System will be conducted after-hours. The Building Engineer will be on-site, if deemed necessary by the Property Manager, during

any Life Safety work. The cost of the Engineer's time will be paid for by the Tenant.

20. Any work within an occupied space must be scheduled in advance with the Property Manager. Before commencing any work within the occupied space all workers shall identify themselves to the receptionist and explain the purpose and length of stay. If after-hour work is required, Tenant will cover the cost of Security or Building Engineer if requested.
21. Plenum cable must be fire-rated and independently supported every 4'-0". Cable cannot be placed on top of the ceiling grid.
22. The Building has a Master Key System. The building standard door hardware is Schlage: Rhodes, Satin Chrome door hardware. All locks must be keyed into the Building Key Master System. Mainline Security is the Building Locksmith. No Locks may be changed without out Landlord permission.

Contractor acknowledges receipt of these rules and regulations and agrees to abide by all rules and regulations of the building.

Contractor:

By: _____

Date: _____

EXHIBIT D

STANDARDS FOR UTILITIES AND SERVICES

Landlord will provide the following utilities and services, at cost:

(a) Elevators. Unattended automatic passenger elevator facilities serving the floor(s) on which the Premises are located, on a Daily Basis.

(b) Ventilation; Heating, and Air-Conditioning. Ventilation to the Premises and air-conditioning and heating to the Premises in season, 5-days per week, Monday through Friday, except holidays generally recognized in the City of San Francisco, from 8:00 a.m. to 6:00 p.m., and at the temperatures and in the amounts as required for City's comfortable occupancy of the Premises, such services to be provided in a manner consistent with such services normally provided in other buildings similar to the Building in the San Francisco Financial District and subject to applicable governmental laws, ordinances, rules, and regulations. In addition to the above hours, Landlord will provide ventilation to the Premises and air-conditioning and heating to the Premises in season, after hours or on weekends or during holidays, on twenty-four (24) hours' notice from City, provided that City will reimburse Landlord for Landlord's actual cost for providing the additional ventilation to the Premises and air-conditioning and heating to the Premises in season. City may not alter, adjust, or tamper with the installations or facilities supplying climate control to the Building or the Premises.

(c) Electricity. Electric current to the Premises on a Daily Basis, as required for normal lighting and for the operation of personal computers and other normal office machines and equipment. City shall pay the cost of the electricity to the Premises as provided in the Lease. . City will not connect any apparatus or device with wires, conduits, or pipes, or other means by which the services are supplied, for the purpose of using additional or extraordinary amounts of the services without the prior written consent of Landlord. At all times, City's use of electric current at the Premises may not exceed the capacity of feeders to the Building or the risers or wiring installation, except as provided in working drawings to City.

(d) Water. Water available at current points of supply in public areas for drinking and lavatory purposes only, and hot and cold water in the Premises for drinking and kitchen purposes on a Daily Basis.

EXHIBIT E

STANDARDS FOR JANITORIAL SERVICE

TENANT LEASED OFFICES

NIGHTLY SERVICES: Monday – Friday

- Turn off all lights as soon as possible each night.
- Vacuum all carpets and spot clean.
- Dust mop and damp mop all hard surface flooring.
- In conference rooms and sitting areas, organize chairs and tables.
- Dust (feather duster) all desks, chairs and office furniture. Wipe down conference room tables with treated dust cloths. No oil or polish will be used. Papers and folders on desks and conference tables are not to be moved.
- Remove fingerprints and dirt smudges from all doorframes, glass partitions, light switches, walls, including walls behind waste baskets, elevator doorjambes and elevator interiors.
- Remove tenant sorted waste (Landfill, Compost and Recycling) to the designated holding areas. Replace liners and wipe down waste basket exterior.
- Return chairs and waste baskets to proper positions.
- Clean, sanitize and polish drinking fountains and/or water dispensers.
- Spot clean all glass doors. Remove fingerprints and kick marks.
- Remove cobwebs from high areas (6ft.) as needed.

WEEKLY SERVICES:

- Dust all low reach areas including chair rungs, structural and furniture ledges, baseboards, window sills, door louvers, wood paneling, molding, etc.
- Wipe clean and polish all brightwork.

MONTHLY SERVICES:

- Dust all high reach areas including, furniture ledges, tops of partitions, picture frames, etc.

Dust all low reach areas including, but not limited to, chair rungs, structural and furniture ledges, baseboards, windowsills, etc.

QUARTERLY SERVICES:

- Edge all carpeted areas

SEMI-ANNUAL

- Dust light diffusers

ANNUAL SERVICES:

- Shampoo carpet in offices and common areas.

LUNCHROOMS, KITCHEN AND COFFEE AREAS

NIGHTLY SERVICES: Monday – Friday

- Sweep and mop with disinfectant neutral cleaner any hard surface flooring.
- If necessary, vacuum and spot clean carpeting or matting.
- Wipe down using a disinfectant/cleaner all tables and chairs. Organize chairs around tables.
- Empty and wipe clean all waste baskets and recycling bins. Wipe down walls behind these containers.
- Wipe down using a disinfectant/cleaner all counter tops, cabinet faces, drawer handles, exterior of microwaves and refrigerators.
- Clean and disinfect sink and faucets.
- Wipe clean smudged brightwork.

RESTROOMS

NIGHTLY SERVICES: Monday – Friday

- Restock all restrooms with supplies from the owner's stock, including paper towels, toilet tissue, seat covers and hand soap, as required.
- Restock all sanitary napkin and tampon dispensers from building's stock, as required. The receptacle is to be thoroughly sanitized.
- Wash and polish all mirrors, dispensers, faucets, flush meters, and brightwork with non-scratch disinfectant cleaner. Wipe dry all sinks.

- Wash and disinfect all toilets, toilet seats, urinals and sinks with non-scratch disinfectant cleaner.
- Mop all restrooms floors with neutral disinfectant cleaner.
- Wipe clean smudged brightwork.
- Remove all restroom waste. Sanitize and polish receptacle. Re-line.
- Wipe down all partitions, tile walls, dispensers, doors and receptacles.

WEEKLY SERVICE:

- Dust all low reach and high reach areas, including, but not limited to, mirror tops, partition tops, partition tops and edges.
- Sewer drains will be flushed with clean water to prevent odor problems (enzymes can be used at a slight additional increase).

MONTHLY SERVICES:

- Wipe down all walls and metal partitions. Partitions must be left clean and not streaked after this work.
- Dust all ventilation grills (up to 6 ft.) with extension duster.
- Clean and disinfect all handles and doorknobs.

ANNUAL SERVICES:

- Scrub and refinish all restroom flooring.

COMMON AREA

MAIN LOBBY AREA

NIGHTLY SERVICES: Monday – Friday

- Spot clean kick plates, partition top, handrails and wastepaper receptacles.
- Clean and disinfect all doorknobs, handles, elevator call button plate, etc.
- Polish elevator doors and frames.
- Dust any and all furniture, sills and ledges.
- Empty waste baskets and wipe exterior.
- Vacuum all carpets and spot clean.

- Sweep and thoroughly damp mop all hard surface flooring.

PASSENGER ELEVATOR

NIGHTLY SERVICES: Monday - Friday

- Polish elevator doors and frames.
- Sweep and/or mop and/or vacuum all cab floors - edge thoroughly. If carpeted, spot clean carpet.
- Vacuum and polish elevator thresholds.

WEEKLY SERVICE

- Thoroughly clean entire interior stainless steel surfaces all doors and frames and outside surfaces of all doors and frames.

ANNUAL SERVICES

- Shampoo carpet.

STAIRWELLS & FIRE EXIT

SEMI-ANNUAL SERVICES

- Wipe down handrail with disinfectant cleaner.
- Thoroughly sweep & mop as needed.
- Remove cobwebs from high areas (6ft.) as needed.

EXTERIOR GROUNDS SPECIFICATIONS

NIGHTLY SERVICES Monday - Friday

- Sweep entrances of building.
- Remove trash accumulated in all corners from entrances of building.

WEEKLY SERVICES

- Polish exterior brass standpipes.

GENERAL INFORMATION

WEEKLY SERVICES

Landlord's janitorial contractor (its "**Contractor**") will furnish all labor, materials, and equipment required to perform exterior and interior janitorial service five days a week, Monday through Friday, excluding holidays. All services must be performed after 5:00 p.m.

All employees of Landlord's Contractor must be fully trained and experienced in the custodial service trade.

UNIFORMS

- All personnel, including the coordinator and supervisors, must be uniformed while on duty. All personnel must have a visible company name, logo, badge, etc., on their uniform that can be visible in camera footage.

EMPLOYEE SAFETY

- Landlord's Contractor will accept responsibility for determining that all necessary safeguards for protection of Contractor's employees are available or will be furnished. All work performed must conform to CAL-OSHA standards. Follow policies and procedures concerning safety, administrative requirements, standards, practices, and work methods.

APPROVAL OF PRODUCTS

City will have the right to prohibit the use of any product proposed or being used by Landlord's Contractor should City deem the product to be unsafe or harmful to those items being cleaned or to City's staff. In this regard, Landlord must provide on request a complete list of products to be used in the course of this Lease, together with Material Safety Data Sheets for each cleaning chemical.

JANITORIAL CLOSET SPECIFICATIONS

- Maintain this area in a neat and orderly fashion.
- Discard any outdated chemicals and general trash.
- Sweep and/or mop flooring.
- Supply customer with the necessary MSDS sheets for cleaning chemicals used in the facility. Pursuant to: www.osha.gov/laws-regs/regulations/standardnumber/1910/1910.1200 and [WHO-2019-nCoV-Disinfection-2020.1](#)

SUPPLIES & CLEANING PRODUCTS

- Landlord will assign space in the Building to Contractor to store supplies and equipment. Supplies and equipment must be neatly stored only in the areas provided by Landlord.
- Pursuant to CDC and SF Gov website protocols - janitorial crew will give extra attention to

cleaning and disinfecting high touch surfaces; doorknobs, drinking fountains (if in operation), toilets, sink faucets and handles, counters tops, table tops, elevator call buttons, drawer handles, refrigerators handles, microwave handle, stair rails.

➤ Cleaning products used on premises:

- Comet
 - Lysol Cleaner
 - Glass Cleaner
 - Neutral Cleaner
 - DMQ Neutral Disinfectant Cleaner
 - Simple Green
- Landlord or its Contractor will supply floor wax, wax stripper, and other expendable supplies required for daily cleaning and maintenance, as well as janitorial supplies such as hand soap, paper hand towels, paper toilet tissue, paper seat covers, and deodorants. Furthermore, Landlord or its Contractor will supply all equipment including ladders, vacuum cleaners, extractors, floor machines, mops, and buckets.

COMMUNICATION

ONGOING:

- Communicate to Property Manager any items noticed by the custodial crew construed as a repair/maintenance item to include but not limited to good working order and condition of sinks, water closets, urinals and restroom fixtures. Post emergency phone numbers in Janitorial Closet.
- Perform requisite daily communication with the Property Manger on matters relating to the services performed.
- Advise Property Manager of any daily staff substitutions or permanent changes.
- Advise Property Manager if a key breaks or is lost.
- All keys are assigned to specific personnel – do not trade keys. Site keys are not allowed to be taken off premises.
- Strive toward energy conservation by turning lights off when completing janitorial services in each area as able.
- All personnel must personally sign themselves in and out daily.
- Ensure all exit doors are closed and locked upon exiting the property.
- Set security alarms as agreed to.
- Lock elevators as agreed to.
- If and to the extent the Property Manager requests the janitorial company to provide additional

services that are material different from those listed above (“Additional Services”), Property Manager may request and agree to additional charges.

OTHER:

CCSF HOLIDAY SCHEDULE

New Year’s Day

Martin Luther King Day

President’s Day

Memorial Day

Juneteenth Day

Independence Day

Labor Day

Columbus Day* not a Building holiday

Veteran’s Day* not a Building holiday

Thanksgiving Day

Friday after Thanksgiving Day

Christmas Day

EXHIBIT F

STANDARDS FOR SECURITY SERVICE

Landlord will furnish security services as follows:

SECURITY GUARDS:

One (1) security guard at the New Montgomery Street entrance from 7:00 a.m. to 6:00 p.m., Monday through Friday (except holidays)

OTHER SECURITY SERVICES:

“Sonitrol” or equivalent system reasonably acceptable to City shall be installed and maintained for after-hours security.

Landlord shall also install and maintain as an operating expense a Sonitrol or equivalent access card and closed circuit television system.

EXHIBIT G

WORK LETTER

OMITTED INTENTIONALLY

EXHIBIT H

OMITTED INTENTIONALLY

EXHIBIT I

2023 OPERATING COSTS

OFFICE LEASE

between

EDWARD J. CONNER and DOUGLAS C. MOORE,
Co-Trustees Under the Conner Children Trust No. 2,
as Landlord

and

CITY AND COUNTY OF SAN FRANCISCO,
as Tenant

For the lease of

109 New Montgomery Street
San Francisco, California

December 19, 1994

OFFICE LEASE

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LIST OF EXHIBITS:

- EXHIBIT A -- Floor Plans of Premises
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OFFICE LEASE

THIS OFFICE LEASE (this "Lease"), dated for reference purposes only as of December 19, 1994, is by and between EDWARD J. CONNER and DOUGLAS C. MOORE, as Co-Trustees under the Conner Children Trust No. 2 ("Landlord"), and the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation ("City" or "Tenant").

Landlord and City hereby agree as follows:

1 BASIC LEASE INFORMATION

The following is a summary of basic lease information (the "Basic Lease Information"). Each item below shall be deemed to incorporate all of the terms in this Lease pertaining to such item. In the event of any conflict between the information in this Section and any more specific provision of this Lease, the more specific provision shall control.

Lease Reference Date:	December 19, 1994
Landlord:	Edward J. Conner and Douglas C. Moore, as Co-Trustees under The Conner Children Trust No. 2
Tenant:	CITY AND COUNTY OF SAN FRANCISCO
Building (Section 2.1):	109 New Montgomery Street (also known as 617-623 Mission Street)
Premises (Section 2.1):	A portion of the ground floor plus the entire second, third and fourth floors, and certain basement storage space as shown on <u>Exhibit A</u> . Exclusive right to use Minna Street (rear) entrance, lobby area and elevators
Rentable Area of Premises (Section 2.1):	<u>33,998</u> square feet (5,219 sq.ft. on the ground floor, and 9,593 sq.ft. on each of floors 2, 3 and 4) plus City's space in the basement for storage.

Term (Article 3):

Estimated commencement date:
March 15, 1995. *3-1-95
per letter*

Expiration date:
August 31, 2002

Extension Options
(Section 3.4):

One (1) additional term of five (5) years exercisable by City by notice to Landlord given not less than 210 days in advance, with rent determined by CPI adjustment.

Base Rent (Section 4.1):

Annual Base Rent: \$509,970
(\$15.00 per sq. ft.)

Monthly payments: \$42,497.50
(\$1.25 per sq. ft.)

Free Rent Period:

First four (4) months after commencement date

Base Year (Section 4.3):

Calendar Year 1995

City's Percentage
Share (Section 4.3):

59% *58.9%*

Use (Section 5.1):

District Attorney's Family Support Bureau.

Leasehold Improvements
(Section 6.1):

Landlord to construct Leasehold and Common Area Improvements

Utilities (Section 9.1):

City pays separately metered electricity; Landlord supplies all other utilities at Landlord's cost.

Services (Section 9.2):

Provided by Landlord at Landlord's cost

Notice Address of Landlord
(Section 23.1):

Edward J. Conner
27 Maiden Lane, Suite 250
San Francisco, CA 94108
Fax No.: 415/392-0820

Key Contact for Landlord: Edward J. Conner
Telephone No.: 392-1072
Notice Address for Tenant
(Section 23.1): Real Estate Department
25 Van Ness Avenue, Suite 400
San Francisco, CA 94102
Attn: Anthony J. DeLucchi,
Director of
Property
Fax No.: (415) 554-9216

with a copy to: District Attorney Family
Support Bureau
109 New Montgomery
San Francisco, CA.
Attn: Edwina Young, Director
Fax No.: 553-4296 (until
commencement)
_____ (after
commencement)

and to: Office of the City Attorney
Fox Plaza
1390 Market Street, 6th Floor
San Francisco, CA 94102
Attn: Larry Wayte
Deputy City Attorney
Fax No.: (415) 554-3808

Key Contact for Tenant: Edwina Young
Telephone No.: 553-4286 (until Commencement)
_____ (after Commencement)

Alternate Contact
for Tenant: Bob Podesta
Telephone No.: 553-1743

Brokers (Section 23.7): Damner Pike and
Cushman Wakefield

Other Noteworthy Provisions: City has option to add additional space in the Building to the Premises under the same terms and conditions as this Lease.

2 PREMISES

2.1 Lease Premises. Landlord leases to City and City leases from Landlord, subject to the provisions of this Lease, those premises in the building identified in the Basic Lease Information (the "Building") and shown on the floor plans attached hereto as Exhibit A (the "Premises"). The Premises contain the rentable area and are located on the floors of the Building specified in the Basic Lease Information. As used herein, the term "rentable area" shall mean that measurement of interior floor area computed in accordance with the "Standard Method for Measuring Floor Area in Office Buildings, the American National Standard" (ANSI Z65.1 1980, reaffirmed 1989), adopted by BOMA. There shall be no adjustment in the Base Rent in the event that the rentable area of the Premises specified in the Basic Lease Information is not correct. The Building, land upon which the Building is located and all other improvements on or appurtenances to such land are referred to collectively as the "Property."

2.2 Common Areas. City shall have the exclusive right to use the Minna Street (rear) entrance to the Building, together with the lobby areas and elevators serving such entrance (the "Exclusive Common Areas"). City shall also have the non-exclusive right to use, together with other tenants in the Building, the other lobbies, corridors, elevators, stairways and other public areas of the Building and the Property (collectively, with the Exclusive Common Areas, the "Common Areas"), and the non-exclusive right of access to and from the Premises by the main entrances to the Building and the Property; provided, however, that customer access to the District Attorney's Family Support Bureau office shall be exclusively through the direct entrance to the Premises on Mission Street.

3 TERM

3.1 Term of Lease. The Premises are leased for an initial term (the "Initial Term") commencing on the date specified in the Basic Lease Information as the estimated commencement date (the "Estimated Commencement Date"), or such later or earlier date as Landlord shall have delivered the Premises to City with the Leasehold Improvements (as defined below) having been substantially completed by Landlord pursuant to Section 6.1, Construction of Leasehold Improvements. The Initial Term of this Lease shall end on the expiration date specified in the Basic Lease Information, or such earlier date on which this Lease terminates

pursuant hereto, provided that City shall have the right to extend the Initial Term pursuant to Section 3.4, Extension Option, below. The word "Term" as used herein shall refer to the Initial Term and any Extended Term if City exercises the Extension Option as provided hereinbelow.

3.2 Commencement Date and Expiration Date. The dates on which the Term commences and terminates pursuant hereto are referred to respectively as the "Commencement Date" and the "Expiration Date." If the Commencement Date occurs on a date other than the Estimated Commencement Date, then promptly thereafter Landlord shall deliver to City a notice substantially in the form of Exhibit B-1 attached hereto, confirming the actual Commencement Date, but Landlord's failure to do so shall not affect the commencement of the Term.

3.3 Delay in Delivery of Possession. Landlord shall use its best efforts to deliver possession of the Premises with all of the Leasehold Improvements substantially completed and accepted by City's Director of Property pursuant to Section 6.1, Construction of Leasehold Improvements, on or before the Estimated Commencement Date. Landlord shall require its contractor to use two shifts per day, five days per week as part of using its best efforts to timely deliver possession of the Premises in the event that the construction of the Leasehold Improvements is not proceeding in accordance with the Critical Path Schedule attached hereto as Exhibit B-2. However, if Landlord is unable to deliver possession of the Premises as provided above, then, subject to the provisions of this Section below, the validity of this Lease shall not be affected by such inability to deliver possession except that City's obligations to pay Base Rent or any other charges shall not commence until such time as Landlord has delivered the Premises as required hereunder. If the Term commences later or earlier than the Estimated Commencement Date, this Lease shall nevertheless expire on the Expiration Date, unless sooner terminated pursuant to the provisions hereof. If Landlord is unable to deliver possession of the Premises to City as required hereunder within one hundred twenty (120) days after the Estimated Commencement Date for any reason other than Tenant Delays (as defined in Section 6.2), then City may, at its option, terminate this Lease, without any further liability hereunder, upon written notice to Landlord.

3.4 Extension Option. City shall have the right to extend the Initial Term of this Lease (the "Extension Option") for the additional term specified in the Basic Lease Information (the "Extended Term"). Such Extension Option shall be on all of the terms and conditions contained in this Lease. City may exercise the Extension Option, if at all, by giving written notice to Landlord no later than two hundred ten (210) days prior to expiration of the term to be extended; provided, however, if City is in material default hereunder on the date of giving such

notice and fails to cure such default as provided herein, Landlord may reject such exercise by delivering written notice thereof to City promptly after such failure to cure. The Extension Option is personal to the City and cannot be exercised by any other person or entity other than the City while it is in full and actual possession of the Premises and without the intention of thereafter assigning or subletting. The Extension Option is not assignable, either as a part of an assignment of this lease or separate therefrom. Landlord acknowledges and agrees that City's notice of its intent to exercise an Extension Option shall be subject to enactment of a resolution by the Board of Supervisors and the Mayor, in their respective sole and absolute discretion, approving and authorizing the same, within sixty (60) days after the date such notice of exercise is given.

4 RENT

4.1 Base Rent. Beginning on the Commencement Date, City shall pay to Landlord during the Term the annual Base Rent specified in the Basic Lease Information (the "Base Rent"). The Base Rent shall be payable in equal consecutive monthly payments on or before the first day of each month, in advance, at the address specified for Landlord in the Basic Lease Information, or such other place as Landlord may designate in writing upon not less than thirty (30) days' advance notice. City shall pay the Base Rent without any prior demand and without any deductions or setoff except as otherwise expressly provided in this Lease. If the Commencement Date occurs on a day other than the first day of a calendar month or the Expiration Date occurs on a day other than the last day of a calendar month, then the monthly payment of the Base Rent for such fractional month shall be prorated based on a thirty (30) day month.

4.2 Additional Charges. City shall pay to Landlord any charges or other amounts required under this Lease as additional rent ("Additional Charges"), including the charges for Real Estate Taxes and Operating Costs provided for hereinbelow. All such Additional Charges shall be payable to Landlord at the place where the Base Rent is payable. Landlord shall have the same remedies for a default in the payment of any Additional Charges as for a default in the payment of Base Rent. The Base Rent and Additional Charges are sometimes collectively referred to below as "Rent."

(a) Definitions. For purposes hereof, the following terms shall have the meanings hereinafter set forth:

(i) "Base Year" means the year specified in the Basic Lease Information.

(ii) "City's Percentage Share" means the percentage specified in the Basic Lease Information.

(iii) "Expense Year" means each calendar year commencing January 1st of each year during the Term, including any partial year in which this Lease commences; provided that Landlord, upon advance written notice to City, may change the Expense Year to any other twelve (12) consecutive month period and, in the event of any such change, City's Percentage Share of Operating Costs shall be equitably adjusted for the Expense Years involved in any such change. Expense Year shall not include the Base Year.

(iv) "Operating Costs" means the total reasonable costs and expenses actually paid or incurred by Landlord in connection with the management, operation, maintenance and repair of the Building, including, but not limited to: (1) the cost of air conditioning, electricity, steam, water, heating, mechanical, telephone, ventilating, escalator and elevator systems and all other utilities, (2) the cost of repairs and all labor and material costs related thereto, and the cost of general maintenance, cleaning and service contracts and the cost of all supplies, tools and equipment required in connection therewith, (3) the cost incurred by Landlord for janitorial services, security and all insurance carried on the Building or the use or occupancy thereof; (4) wages, salaries, payroll taxes and other labor costs and employee benefits, (5) reasonable management fees, (6) fees, charges and other costs of all independent contractors engaged by Landlord, (7) accounting and legal expenses, (8) depreciation on personal property, including, without limitation, carpeting in public corridor and Common Areas and window coverings provided by Landlord, (9) the fair market rental value of offices in the Building for the property manager, (10) the cost of capital improvements made to the Building after completion of its construction as a labor-saving or energy saving device or to effect other economies in the operation or maintenance of the Building and which benefit the Premises, or made to the Building after the date of this Lease that are required under any governmental law or regulation that was not applicable to the Building at the time that permits for the construction thereof were obtained, unless caused by Landlord's deliberate or negligent violation of such law, rule or regulation, and except to the extent such improvements are attributable to or are made for the primary benefit of a tenant or occupant other than City, and (11) any other expenses reasonably incurred in connection with the management, operation, maintenance or repair of the Building (other than Real Estate Taxes and any services for which Landlord is separately and directly reimbursed by City or other tenants in the Building) which would, under generally accepted accounting principles, be considered an operating expense. The computation of Operating Costs shall be made in accordance with generally accepted accounting principles.

In the event that in the Base Year for Operating Costs or in any Expense Year the Building is less than ninety-five percent (95%) occupied, the Operating Costs shall be appropriately adjusted to reflect a ninety five percent (95%) occupancy level; provided, however, in no event shall Landlord recapture more than one hundred percent (100%) of the Operating Costs in any Expense Year.

Notwithstanding the foregoing, "Operating Costs" shall exclude the items described on the attached Exhibit C.

(v) "Real Estate Taxes" means all taxes, assessments and charges levied upon or with respect to the portion of the Building owned by Landlord or any personal property of Landlord used in the operation thereof, or Landlord's interest in the Building or such personal property. Real Estate Taxes shall include, without limitation, all general real property taxes and general and special assessments, charges, fees, or assessments for transit, housing, police, fire, or other governmental occupants thereof, service payments in lieu of taxes, and any tax, fee, or excise on the act of entering into this Lease or any other lease of space in the Building or any part thereof, or on the rent payable under any lease or in connection with the business of renting space in the Building, that are now or hereafter levied or assessed against Landlord by the United States of America, the State of California or any political subdivision thereof, public corporation, district, or any other political or public entity, and shall also include any other tax, fee or other excise, however described, that may be levied or assessed as a substitute for, or as an addition to, in whole or in part, any other Real Estate Taxes, whether or not now customary or in the contemplation of the parties on the date of this Lease. "Real Estate Taxes" shall also include the reasonable and direct cost to Landlord of contesting the amount, validity or applicability of any of the above-mentioned taxes.

Notwithstanding the foregoing, Real Estate Taxes shall exclude (1) franchise, transfer, inheritance, or capital stock taxes or income taxes measured by the net income of Landlord from all sources unless, due to a change in the method of taxation, any of such taxes is levied or assessed against Landlord as a substitute for, or as an addition to, in whole or in part, any other tax that would otherwise constitute a Real Estate Tax, (2) any penalties, fines, interest or charges attributable to the late payment of any taxes, except to the extent attributable to City's failure to pay its portion of Real Estate Taxes hereunder, (3) any personal property taxes payable by City hereunder or by any other tenant or occupant of the Building unless such taxes are assessed on improvements owned by Landlord, or (4) during the initial term of the lease, any increase in Real Estate Taxes due to any reassessment upon a

transfer of any of Landlord's interest in the Building or the real property on which the Building is located.

(vi) "Tax Year" means each calendar year during the Term, including any partial year during which the Lease may commence; provided that Landlord, upon notice to City, may change the Tax Year from time to time to any other twelve (12) consecutive month period and, in the event of any such change, City's Percentage Share of Real Estate Taxes shall be equitably adjusted for the Tax Year involved in any such change. Tax Year shall not include the Base Year.

(b) Payment of Percentage Share of Operating Costs.

During the Term, commencing after the end of the Base Year, City shall pay to Landlord, as Additional Charges, one twelfth (1/12) of City's Percentage Share of the amount, if any, by which Operating Costs for each Expense Year exceed the Operating Costs for the Base Year. City shall make such payments, in advance, on the first day of each month, in an amount estimated by Landlord in reasonable detail in a writing delivered to City. Landlord may revise such estimates of Operating Costs from time to time and City shall thereafter make payments on the basis of such revised estimates, provided that no such revisions shall be retroactive and Landlord may not make any such revisions more than twice in any given Expense Year and no such revision may be made any earlier than four (4) months subsequent to the prior estimate for such Expense Year. With reasonable promptness not to exceed one hundred twenty (120) days after the expiration of each Expense Year, Landlord shall furnish City with a statement (herein called "Landlord's Expense Statement"), prepared by an independent certified public accountant, setting forth in reasonable detail the Operating Costs for such Expense Year and City's Percentage Share thereof. If City's Percentage Share of the actual Operating Costs for such Expense Year exceeds the estimated Operating Costs paid by City for such Expense Year, City shall pay to Landlord (whether or not this Lease has terminated) the difference between the amount of estimated Operating Costs paid by City and City's Percentage Share of the actual Operating Costs within thirty (30) days after the receipt of Landlord's Expense Statement. If the total amount paid by City for any such Percentage Share of Operating Costs exceeds City's Operating Costs Share of the actual Operating Costs for such Expense Year, such excess shall be credited against the next installments of Operating Costs due from City to Landlord hereunder, or refunded to City, at City's option. Notwithstanding anything to the contrary contained herein, in no event shall any annual increase in City's Percentage Share of Operating Costs for any Expense Year exceed fifteen percent (15%). In the event that any annual increase exceeds fifteen percent (15%), Landlord shall so notify City and City shall pay the amount in excess of fifteen percent (15%) at the time of its payment of the next annual Landlord's Expense Statement.

(c) Payment of Percentage Share of Real Estate Taxes.

During the Term, commencing after the end of the Base Year, City shall pay to Landlord, as Additional Charges, one twelfth (1/12) of City's Percentage Share of the amount, if any, by which Real Estate Taxes for each Tax Year exceed Real Estate Taxes for the Base Year. City shall make such payments, in advance, on the first day of each month, in an amount estimated by Landlord in reasonable detail in a writing delivered to City. With reasonable promptness not to exceed sixty (60) days after Landlord has received the tax bills for any Tax Year, Landlord shall furnish City with a statement ("Landlord's Tax Statement") setting forth the amount of Real Property Taxes for such Tax Year and City's Percentage Share thereof. If City's Percentage Share of the actual Real Estate Taxes for such Tax Year exceeds the estimated Real Estate Taxes paid by City for such Tax Year, City shall pay to Landlord (whether or not this Lease has terminated) City's Percentage Share of the actual Real Estate Taxes within thirty (30) days after the receipt of Landlord's Tax Statement. If the total amount of estimated Real Estate Taxes paid by City for such Tax Year exceeds City's Percentage Share of the actual Real Estate Taxes for such Tax Year, such excess shall be credited against the next installments of Real Estate Taxes due from City hereunder, or at City's option, such excess shall be refunded to City.

(d) Proration. If the Commencement Date or Expiration Date shall occur on a date other than the first or last day of a Tax Year or Expense Year, City's Percentage Share of Real Estate Taxes or Operating Costs for the Tax Year or Expense Year in which the Commencement Date or Expiration Date occurs, shall be prorated based on a 365-day year.

(e) Audits. City shall have the right, upon not less than five (5) business days' notice to Landlord, to audit the books and records of the Building related to Operating Costs and Real Estate Taxes. If such audit discloses any discrepancies which would result in a reduction of City's Percentage Share of Operating Costs for any Expense Year, City shall so notify Landlord. If Landlord agrees with the results of such audit, Landlord shall immediately refund to City the amount of any overpayment by City. City shall pay the cost of such audit, provided that if such audit discloses any discrepancies which result in a reduction of City's Percentage Share of Operating Costs of six percent (6%) or more for any Expense Year, then Landlord shall pay the reasonable costs of such audit. If Landlord does not agree with the results of such audit, then Landlord and City shall select a mutually acceptable certified public accountant with experience in determining operating expenses in commercial buildings who shall determine City's Percentage Share of Operating Costs for the Expense Year. Such determination shall be final and binding on the parties. The

cost of the certified public accountant shall be borne equally by the parties; provided, however, that Landlord shall pay the reasonable cost of such audit if such audit discloses any discrepancies which result in a reduction of City's Percentage Share of Operating Costs of six percent (6%) or more for any Expense Year.

(f) Records. Landlord shall maintain at the Building or at its offices in San Francisco in a safe and orderly manner all of its records pertaining to this Lease and Real Estate Taxes, Operating Costs and any other charges paid by City pursuant hereto, for a period of not less than three (3) years following expiration of the Term. Landlord shall maintain such records on a current basis and in sufficient detail to facilitate adequate audit and review thereof. All such books and records shall be available for inspection, copying and audit by City and its representatives, at City's expense, subject to the provisions of subsection (e) above.

4.3 Base Rent During the Extended Term. If City exercises its option to extend the Term as provided in Section 3.4, Extension Period, the Base Rent and Additional Charges payable during the Extended Term shall be adjusted as follows:

The Consumer Price Index for All Urban Consumers (base years 1982-1984 = 100) for the San Francisco-Oakland-San Jose area, published by the United States Department of Labor, Bureau of Labor Statistics (the "Index"), which is published most immediately preceding the Commencement Date of the Extended Term (the "Adjustment Index"), shall be compared with the Index published most immediately preceding the Commencement Date of the initial Term.

If the Adjustment Index has increased over the Base Index, then the Base Rent payable on and after the Adjustment Date shall be set by multiplying the Base Rent by a fraction, the numerator of which is the Adjustment Index and the denominator of which is the Base Index.

If the Index is changed so that the base year differs from that used as of the date most immediately preceding the Commencement Date, the Index shall be converted in accordance with the conversion factor published by the United States Department of Labor, Bureau of Labor Statistics. If the Index is discontinued or revised during the Term, such other government index or computation with which it is replaced shall be used in order to obtain substantially the same result as would be obtained if the Index had not been discontinued or revised.

The Base Year as set forth in the Basic Lease Information for the calculation of Additional Charges shall be changed to reflect operating expenses for Calendar Year 2002.

5.1 Permitted Use. City may use the Premises for general office uses and such other uses as may be specified in the Basic Lease Information, and for no other use without the prior written consent of Landlord, which shall not be unreasonably withheld or delayed. Notwithstanding the foregoing, the basement portion of the Premises shall be used solely for purposes of storage and placement of equipment such as telephone switching equipment. In addition, only the ground floor portion of the Premises shall be used as the customer office of the Family Support Bureau unless the ground floor space cannot handle the entire case load. In such event, City may also use the upper floors as a customer office provided that all customers use the rear Building entrance on Minna Street for ingress and egress to the Premises. City acknowledges that Landlord may take into account the impact on other tenants, prospective tenants and the marketing of the Building in determining whether to consent to a change in use.

5.2 Observance of Rules and Regulations. City shall observe Landlord's reasonable rules and regulations for the Building subject to the provisions hereof. City acknowledges and agrees to the current Building rules and regulations attached hereto as Exhibit D (the "Rules and Regulations"). Landlord may make reasonable additions or modifications thereto, which shall be binding upon City upon Landlord's delivery to City of a copy thereof, provided that such additions or modifications shall not reduce Landlord's obligations hereunder nor interfere with City's business in the Premises, and such additions or modifications must be applicable to the other Building tenants. Landlord shall administer the Rules and Regulations in a fair and nondiscriminatory manner and use reasonable efforts to cause other Building tenants to comply with them. City shall be entitled upon request to any waiver or special dispensation granted by Landlord to any other tenant in the Building with respect to the Rules and Regulations.

6 LEASEHOLD IMPROVEMENTS

6.1 Landlord's Obligation to Construct Improvements. Landlord, through its general contractor approved by City, shall construct the Premises, perform the work and make the installations in the Premises and the Common Areas at Landlord's sole cost pursuant to the Final Plans (as defined in this Section below) approved by City and in accordance with the provisions of this Section below. Such work and installations are referred to as "the Leasehold Improvement Work" and "Leasehold Improvements." Landlord shall submit to City a list of contractors for its approval and City shall have five (5) business days in which to disapprove of any contractor on said list. Any contractor not timely disapproved by City shall be deemed approved.

(a) Plans and Specifications. Before the reference date of this Lease, Landlord has caused its architect(s) or space planner(s) to prepare architectural plans, power and signal plans, reflected ceiling plans and tenant finish specifications for the Leasehold Improvements, suitable for purposes of contractor pricing. City hereby approves the plans and specifications for the Common Areas dated March 16, 1994 (the "Common Area Pricing Plans"), prepared by Daniel Frederick Architect. City also hereby approves the plans and specifications for the Premises dated December 5, 1994 (the "Premises Pricing Plans"), prepared by Huntsman Associates. The Common Area Pricing Plans and the Premises Pricing Plans shall sometimes be referred to collectively as the "Pricing Plans."

Immediately following the Effective Date of this Lease (as defined in Section 23.27 hereof), Landlord shall cause final working drawings and specifications for the Leasehold Improvements to be prepared based on the Pricing Plans and in conformity with the requirements hereof. The final working drawings and specifications shall be consistent with and logical evolutions of the Pricing Plans. Landlord shall submit a copy of all such final working drawings and specifications to City within five (5) days after the Effective Date. Such final working drawings and specifications shall be subject to City's approval, which approval shall not be unreasonably withheld. If City disapproves such final working drawings and specifications, or any portion thereof, then City shall within ten (10) business days of receipt thereof notify Landlord thereof and of the revisions that City reasonably requires in order to obtain City's approval. Landlord and City shall promptly confer and negotiate in good faith to reach agreement as to such proposed revisions and as soon as Landlord and City agree upon the final working drawings and specifications, a representative of each shall sign the same. The final working drawings and specifications approved by City shall be referred to as the "Final Plans."

(b) Permits. Landlord shall secure and pay for any building and other permits and approvals, government fees, licenses and inspections necessary for the proper performance and completion of the Leasehold Improvement Work shown on the approved Final Plans. Landlord shall apply for any permits, approvals or licenses necessary to complete such construction and shall provide copies to City promptly following receipt thereof. Notwithstanding the foregoing, in the event that Landlord, after using its best efforts, is unable to obtain all necessary permits, approvals and licenses required to construct the Leasehold Improvements by January 30, 1995, either party shall have the right to terminate this Lease upon written notice to the other party within ten (10) days of such date.

(c) Construction. Promptly following approval of the Final Plans and Landlord's procurement of all necessary permits and approvals, Landlord shall cause the Leasehold Improvements to be constructed in a good and professional manner in accordance with sound building practice. Landlord shall comply with and give notices required by all laws, rules, regulations, ordinances, building restrictions and lawful orders of public authorities bearing on construction of the Leasehold Improvements. Without limiting the foregoing, construction of the Leasehold Improvements shall comply with City's standard requirements for program accessibility and all applicable handicap access laws, including, without limitation, the Americans With Disabilities Act. Landlord shall pay prevailing wages in connection with the Leasehold Improvement Work as further provided in Section 23.24, Prevailing Wages, below, and shall not use tropical hardwoods subject to the provisions of Section 23.25, Tropical Hardwood Ban, below.

(d) Substantial Completion. Landlord shall keep City apprised of the status of permit approval and the progress of construction. Landlord shall provide City with written monthly estimates of the status of permit approval and the progress of construction. From time to time during the design and construction of the Leasehold Improvements, City shall have the right upon reasonable advance oral or written notice to Landlord to enter the Premises and Common Areas at reasonable times to inspect the Premises, provided such inspections do not interfere with the construction. Landlord or its representative may accompany City during any such inspection. When construction progress so permits, but not less than fifteen (15) days in advance of completion, Landlord shall notify City of the approximate date on which the Leasehold Improvement Work will be substantially completed in accordance with the Final Plans. Landlord shall revise such notice of the approximate substantial completion date as appropriate and shall notify City when the Leasehold Improvement Work is in fact substantially completed and the Premises are ready for occupancy by City. On such date or other mutually agreeable date as soon as practicable thereafter, City and its authorized representatives shall have the right to accompany Landlord or its architect on an inspection of the Premises and Common Areas.

The Leasehold Improvement Work shall be deemed to be "substantially completed" for purposes hereof when Landlord's architect determines that the Leasehold Improvements shall have been substantially completed in accordance with the approved Final Plans subject only to punch-list items. Landlord shall notify City when the Leasehold Improvement Work is substantially complete and Landlord and City shall promptly do a walk-through of the premises. Landlord and City shall prepare a list of all items not conforming to the Final Plans, and Landlord shall diligently pursue to completion all such work. Notwithstanding

the foregoing, City shall have the right to present to Landlord within thirty (30) days after acceptance of the Premises, or as soon thereafter as practicable, a written punch list consisting of any additional items that have not been finished in accordance with the Final Plans. Landlord shall promptly complete all defective or incomplete items identified in such punch list, and shall in any event complete all items within thirty (30) days after the delivery of such list. City's failure to include any item on such list shall not alter the Landlord's responsibility hereunder to complete all Leasehold Improvement Work in accordance with the approved Final Plans, nor constitute any waiver of any latent defects.

No approval by City or any of its Agents of the Pricing Plans, Final Plans or completion of the Leasehold Improvement Work for purposes of this Lease shall be deemed to constitute approval of any governmental or regulatory authority with jurisdiction over the Premises, and nothing herein shall limit Landlord's obligations to obtain all such approvals.

6.2 Delays in Construction

(a) Unavoidable Delays. For purposes hereof, "Unavoidable Delays" shall mean any delays by reason of acts of God, accidents, breakage, repairs, strikes, lockouts, other labor disputes, inability to obtain labor or materials after using diligent and timely efforts, enemy action, civil commotion, protests, riots, demonstrations, or by any other reason without fault and beyond the reasonable control of the party obligated to perform. In the event of any such delay, the party affected by such delay shall give prompt written notice to the other of the occurrence of such event and the projected delay in performance, and thereafter shall keep the other party regularly informed of the status of such Unavoidable Delay.

(b) Tenant Delays. Subject to any Unavoidable Delay, City shall be responsible for any delay in the construction of the Leasehold Improvements due to any of the following (collectively, "Tenant Delays"): (i) a delay in granting its reasonable approval of plans and specifications (beyond the period granted therefor), (ii) any changes requested by or on behalf of City after approval by City of the Final Plans; (iii) any other delay caused by any act or omission of City or any contractor, agent or employee of City. If there is any Tenant Delay, the Premises shall be deemed completed, for purposes of determining the Commencement Date, on the date the Premises would have been completed but for such delay.

(c) Changes By City. Any change requested by City after approval of the Final Plans shall be at City's sole cost and expense and shall be subject to Landlord's approval. City shall notify Landlord of any proposed change and, if Landlord

approves such change, Landlord shall obtain from its contractor the cost of such change and the number of days of Tenant Delay which would result from such change (collectively, the "Change Order Information"). Landlord shall notify City of the Change Order Information and City shall have three (3) days in which to approve the same by so notifying Landlord in writing. If City does not so notify Landlord, the City shall be deemed to have withdrawn its request for such change.

(d) Changes by Landlord. Landlord shall have the right to make such changes in the approved Final Plans (or in Landlord's work pursuant thereto) as Landlord may deem reasonably necessary for coordinating and completing landlord's work or as required by governmental authorities. Minor changes or deviations from the approved Final Plans that Landlord determines are reasonably necessary during construction of the Premises shall not require City's consent. Landlord's architect shall determine which changes or deviations are "minor" for purposes of the preceding sentence.

6.3 Installation of Telecommunications and Other Equipment. Landlord and City acknowledge that the Leasehold Improvement Work shall be completed by Landlord inclusive of the installation of telecommunications wiring, data and computer cabling but exclusive of the installation of facilities; equipment and furniture systems. City shall be responsible for installing such facilities and equipment, provided that Landlord shall furnish access to City and its consultants and contractors to the main telephone service serving the floors on which the Premises are located and all other parts of the Building for which access is needed for proper installation of all such facilities and equipment. City shall provide Landlord with its telecommunications wiring plan prepared by Landlord's architect no later than commencement of construction of the Leasehold Improvement Work. Landlord's responsibility for the installation of telecommunications wiring shall include the tagging and testing of such wiring and the terminating of the same in accordance with the wiring plans provided to Landlord. City and Landlord shall use their good faith efforts to coordinate any such activities to allow the Leasehold Improvements and installation of such telecommunications, data and computer cabling facilities and equipment to be completed in a timely and cost-effective manner.

7 ALTERATIONS

7.1 Alterations by City. City shall not make or permit any alterations, installations, additions or improvements (collectively, "Alterations") to the Premises without first obtaining Landlord's written consent, which Landlord shall not unreasonably withhold or delay. However, the installation of furnishings, fixtures, equipment or decorative improvements not

attached to the Premises in such a manner that the removal thereof may damage the Premises, none of which affect the Building Systems or structural integrity of the Building, and the repainting and recarpeting of the Premises shall not constitute Alterations requiring Landlord's consent. Any Alterations permitted hereunder shall be made at City's cost in compliance with applicable laws, rules and regulations. Landlord shall, without cost to itself, cooperate with City in securing building and other permits and authorizations needed in connection with any permitted Alterations. Landlord shall not be entitled to any construction or other administrative fee in connection with any Alteration. City shall not be required to remove any Alterations upon the expiration or sooner termination of this Lease unless Landlord notifies City in writing at the time Landlord approves such Alterations that they must be removed at the Expiration Date.

7.2 Title to Improvements. Except for City's Property (as defined in the next Section) all appurtenances, fixtures, improvements, equipment, additions and other property permanently installed in the Premises as of the Commencement Date or during the Term shall be and remain Landlord's property. City may not remove such property unless Landlord consents thereto.

7.3 City's Personal Property. All furniture, furnishings, equipment, trade fixtures and articles of movable personal property installed in the Premises by or for the account of City and that can be removed without damage to the Premises (collectively, "City's Personal Property") shall be and remain City's property. At any time during the Term City may remove any of its Personal Property provided City shall repair any damage to the Premises resulting therefrom. Upon the expiration or earlier termination of this Lease, City shall remove City's Personal Property from the Premises in accordance with Section 20.1, Surrender of Premises, below. Landlord acknowledges that some of City's Personal Property may be financed by third party lenders or otherwise subjected to a security interest, or owned by an equipment company and leased to City. Landlord, upon City's reasonable request, shall execute and deliver any document reasonably required by any supplier, lessor, or lender in connection with the installation in the Premises of any items of City's Personal Property, pursuant to which Landlord waives any rights it may have or acquire with respect to that Personal Property, so long as the supplier, lessor or lender agrees that it (i) will remove the Property from the Premises prior to the Expiration Date (but if it does not remove the Personal Property within such time it shall have waived any rights it may have had to the Personal Property, and (ii) will repair any damage caused by the removal of the Personal Property. Landlord shall recognize the rights of an supplier, lessor or lender who has an interest in any items of City's Personal Property to enter the

Premises and remove such property during normal business hours, after notice to Landlord, during the Term.

8 REPAIRS AND MAINTENANCE

8.1 Landlord's Repairs. Landlord shall repair and maintain in a timely manner, at its cost and in good condition, the exterior and structural portions of the Building, including, without limitation, the roof, foundation, bearing and exterior walls and subflooring, and the heating, ventilating, air conditioning, plumbing, electrical, fire protection, life safety, security and other mechanical, electrical and communications systems of the Building (collectively, the "Building Systems") and the Common Areas. Without limiting the foregoing, Landlord shall use its best efforts to: (i) maintain the Building in a clean, safe and attractive manner; (ii) not permit any other tenants of the Building to unreasonably disturb or interfere with City's use of the Premises or permit to be done in or about the Building or anything that is illegal, is dangerous to persons or property or constitutes a nuisance.

8.2 City's Repairs. Subject to Landlord's warranty under Section 10.1, Premises Compliance, and Landlord's repair and maintenance obligations hereunder, City shall repair and maintain at its cost the interior portions of the Premises and shall keep the Premises in good working order and in a safe and sanitary condition, except for ordinary wear and tear and damage by casualty. City shall make any such required repairs and replacements: (i) at City's cost, (ii) by contractors or mechanics selected by City and reasonably approved by Landlord, (iii) so that same shall be at least substantially equal in quality, value and utility to the original work or installation prior to damage thereof, (iv) in a manner and using equipment and materials that will not interfere with or impair the operations, use or occupation of the Building or the Building Systems, and (v) in compliance with all applicable laws, including, without limitation, any applicable bidding requirements under City's Charter and Administrative Code.

8.3 Liens. City shall keep the Premises free from liens arising out of any work performed, material furnished or obligations incurred by City during the Term. Landlord shall have the right to post on the Premises any notices permitted or required by law or that are needed for the protection of Landlord, the Premises, or the Building, from mechanics' and materialmen's liens. City shall give Landlord at least ten (10) days' prior written notice of commencement of any repair or construction by City on the Premises.

9 UTILITIES AND SERVICES

9.1 Landlord's Provision of Utilities. Landlord shall furnish the following utilities and services to the Premises: (a) heating, air conditioning and ventilation in amounts required for City's comfortable use and occupancy of the Premises, during the period from 8:00 a.m. to 6:00 p.m., Monday through Friday, 8:00 a.m. to 5:00 p.m. Saturdays except holidays generally recognized in San Francisco; (b) electric current in amounts required for normal lighting and for the operation of personal computers and other normal office machines and equipment, on a twenty-four (24) hours-a-day, three hundred sixty-five (365) days-a-year basis ("Daily Basis"); (c) elevator service on a Daily Basis; and (d) water for lavatory, kitchen and drinking purposes on a Daily Basis. During the Term, Landlord shall provide freight elevator service upon City's reasonable request. Without limiting Landlord's obligations hereunder, Landlord shall furnish all utilities and services required under this Lease in a manner consistent with such utilities and services normally provided in other buildings similar to the Building in the San Francisco Financial District.

Notwithstanding the foregoing, City shall pay, as Additional Charges, the cost of the electricity for the Premises and the roof-mounted HVAC equipment. Such electricity usage shall be metered on one or more separate meters. The bills for such usage shall be sent directly by the utility company to City and City shall pay such bills directly. The parties acknowledge that there will be one or more separate meters for the ground floor commercial space and the fifth and sixth floors.

Landlord shall not be required to provide HVAC or water to the basement portion of the Premises.

9.2 Services.

(a) Janitorial Service. Landlord shall provide at its cost janitorial service in accordance with the specifications contained in Exhibit E attached hereto.

(b) Security Service. Landlord shall provide at its cost security for the Building in accordance with the specifications contained in Exhibit F attached hereto.

9.3 Disruption in Essential Utilities or Services. In the event of any failure, stoppage or interruption of any utilities or services to be furnished by Landlord hereunder, Landlord shall diligently attempt to restore service as promptly as possible and shall keep City apprised of its efforts. In the event Landlord is unable to supply any of the Building's sanitary, electrical, heating, air conditioning, water or other essential services

servicing the Premises (collectively, "Essential Services") and such inability of Landlord materially impairs City's ability to carry on its business in the Premises for a period of three (3) or more consecutive business days if such failure is in the reasonable control of Landlord or a period of fourteen (14) or more consecutive business days if such failure is not within the reasonable control of Landlord, then the Rent shall be abated based on the extent such inability of Landlord impairs City's ability to carry on its business in the Premises. Such abatement, or right to provide the services and offset against Rent, shall continue until the Essential Services have been restored so that the lack of any remaining services no longer materially impairs City's ability to carry on its business in the Premises. Landlord shall use its best efforts to restore disrupted Essential Services as soon as possible. However, if such failure to provide any Essential Services continues for any reason for ninety (90) days and such failure materially and substantially interferes with City's ability to carry on its business in the Premises, then City may, without limiting any of its other rights or remedies hereunder or at law or in equity, terminate this Lease upon written notice to Landlord. City shall not be entitled to any abatement of Rent or right to terminate if Landlord's inability to supply Essential Services to City is due to the acts, omissions or negligence of City and its Agents.

10 COMPLIANCE WITH LAWS

10.1 Premises Compliance. Landlord represents and warrants to City that, to the best of Landlord's knowledge, the Premises and the Common Areas and Building Systems serving the Premises are now, and as of the Commencement Date will be, in full compliance with all earthquake, life safety and handicap accessibility laws including, without limitation, the Americans with Disabilities Act of 1990, and all other applicable laws, rules, regulations and governmental requirements, and there are not now, and as of the Commencement Date will not be, any material physical or mechanical defects in the Premises or the Building Systems that would materially adversely affect City's intended use of the Premises. Landlord shall at all times during the Term maintain, at its cost, the Common Areas and the Building Systems serving the Premises in compliance with applicable laws, rules, regulations and requirements.

10.2 City's Compliance with Laws. City shall use the Premises during the Term in compliance with, and otherwise comply with, at its expense, all applicable laws, rules, regulations and requirements now in force or hereafter enacted dealing with the condition, use or occupancy of the Premises, except that City shall not be required to make any structural or non-structural alterations in order to comply therewith unless such alterations are necessary solely because of City's unique use of the Premises or any Alterations to the Premises made by City.

10.3 City's Compliance with Insurance Requirements. City shall not conduct any use in or about the Premises that would: (a) invalidate or be in conflict with any fire or other casualty insurance policies covering the Building or any property located therein, (b) result in a refusal by fire insurance companies of good standing to insure the Building or any such property in amounts reasonably satisfactory to Landlord or the holder of any mortgage or deed of trust encumbering the Building, (c) cause an increase in the fire insurance premium for the Building unless City agrees to pay such increase, or (d) subject Landlord to any liability or responsibility for injury to any person or property by reason solely of any business operation being conducted by City in the Premises; provided, however, Landlord shall provide City with reasonable prior written notice of any applicable insurance requirements and no such insurance requirements shall materially and adversely interfere with City's normal administrative business in the Premises.

11 SUBORDINATION

This Lease is and shall be subject and subordinate to the following (each an "Encumbrance"): (a) any reciprocal easement agreements and ground leases or other underlying leases that may now exist or hereafter be executed affecting the Property, or any portion thereof, and (b) the lien of any mortgage or deed of trust that may now exist or hereafter be executed in any amount for which any part of the Property, any ground leases or underlying leases, or Landlord's interest or estate therein, is specified as security; provided that as a condition to any such Encumbrance, the holder of the Encumbrance shall, at City's request, enter into a subordination and nondisturbance agreement with City in a form then commercially reasonable. Notwithstanding the foregoing, Landlord shall have the right to subordinate or cause to be subordinated to this Lease any Encumbrance. In the event that any ground lease or underlying lease terminates for any reason or any mortgage or deed of trust is foreclosed or a conveyance in lieu of foreclosure is made for any reason, City shall pay subsequent Rent and attorn to and become the tenant of such successor Landlord, at the option of such successor-in-interest, provided that City has received proper written notice of such succession and the name and address of the successor landlord, and further provided that, in the case of any Encumbrance hereafter executed, as a condition to such attornment the holder of such Encumbrance shall, at City's request, agree that so long as City is not in default hereunder, such holder shall recognize this Lease and shall not disturb City in its possession of the Premises for any reason other than one that would entitle Landlord to terminate this Lease or otherwise dispossess City of the Premises in accordance with the terms hereof. The provisions of this Article shall be self-operative and no further instrument shall be required other than as provided herein. City agrees, however, to execute upon request

by Landlord and in a form reasonably acceptable to City, any additional documents evidencing the priority or subordination of this Lease with respect to any such Encumbrance as provided herein. City agrees that the holder of an Encumbrance shall not have any obligation to perform any of the obligations of Landlord under this lease until such holder has become the successor landlord hereunder, but that in the event of Landlord's default with respect to such obligation, City will give any holder of an Encumbrance whose name and address have been furnished to City in writing for such purpose notice of Landlord's default and allow such holder thirty (30) days following receipt of such notice for the cure of said default.

Landlord shall use its best efforts to provide to City, before the Effective Date, executed non-disturbance and attornment agreements from the holder of any existing Encumbrance. The form of such agreement shall be subject to City's reasonable approval.

12 DAMAGE AND DESTRUCTION

If the Premises, the Building or any Building Systems are damaged by fire or other casualty, Landlord shall repair the same without delay (and if Landlord is then carrying insurance on the Leasehold Improvements or if City at its sole option makes funds available to Landlord, Landlord shall also repair the Leasehold Improvements to the extent of such insurance or payment by City), provided that such repairs can be made under applicable laws within seventy five (75) days after Landlord obtains all necessary permits for such repairs but not later than two hundred ten (210) days after the date of such damage (the "Repair Period"). In such event, this Lease shall remain in full force and effect, except that City shall be entitled to an abatement of Rent while such repairs are being made. Such abatement in Rent shall be based upon the extent to which such damage and the making of such repairs interfere with City's business in the Premises. Landlord's repairs shall not include, and the Rent shall not be abated as a result of, any damage by fire or other cause to City's Personal Property or any damage caused by the negligence or willful misconduct of City or its Agents. Notwithstanding the foregoing, Landlord shall have the right to elect not to repair in the event that the damage is caused by a risk not covered by Landlord's insurance, the proceeds of available insurance are less than eighty percent (80%) of the cost of restoration or the restoration cannot be completed within seventy five (75) days after the commencement of work in the opinion of Landlord's architect. If Landlord so elects, Landlord shall give notice to City within thirty (30) days after such damage terminating this lease as of a date to be specified in such notice, which date shall be not less than thirty (30) nor more than sixty (60) days after giving such notice. In the event of the giving of such notice, this Lease shall expire and all

interest of City in the Premises shall terminate on such date so specified in such notice and the rent, reduced by any proportionate reduction based upon the extent, if any, to which said damage interfered with the use and occupancy of City, shall be paid to the date of such termination.

Within twenty (20) days after the date of such damage, Landlord shall notify City whether or not, in Landlord's reasonable judgment made in good faith, such repairs can be made within the Repair Period. If such repairs cannot be made within the Repair Period, then either party hereto may, by written notice to the other given within thirty (30) days after the date of such damage, terminate this Lease as of the date specified in such notice, which date shall be not less than thirty (30) nor more than sixty (60) days after notice is given by Landlord. In case of termination, the Rent shall be reduced by a proportionate amount based upon the extent to which such damage interferes with the conduct of City's business in the Premises, and City shall pay such reduced Rent up to the date of termination. Landlord shall refund to City any Rent previously paid for any period of time subsequent to such date of termination.

Notwithstanding the foregoing, in the event the Premises are damaged or destroyed by reason of flood or earthquake, and such damage or destruction is not fully covered by insurance proceeds payable under the insurance policies Landlord is required to carry hereunder (excluding any deductible, for which Landlord shall be responsible), Landlord may terminate this Lease by written notice to City within thirty (30) days of the date Landlord receives written notice that such damage is not covered by insurance. If Landlord does not elect to terminate this Lease as provided above, the Lease shall remain in full force and effect, and Landlord shall repair and restore the Premises as provided above.

If at any time during the last six (6) months of the Term of this Lease there is substantial damage that Landlord would be required to repair hereunder, Landlord or City may, at the respective option of each, terminate this Lease as of the date such damage occurred by giving written notice to the other party of its election to do so within thirty (30) days after the date of such damage.

The parties intend that the provisions of this Section govern fully their rights and obligations in the event of damage or destruction, and Landlord and City each hereby waives and releases any right to terminate this Lease in whole or in part under Section 1932, subdivision 2, and Section 1933, subdivision 4, of the Civil Code of California or under any similar law, statute or ordinance now or hereafter in effect, to the extent such rights are inconsistent with the provisions hereof.

13 EMINENT DOMAIN

13.1 Definitions.

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

(b) "Date of Taking" means the earlier of (i) the date upon which title to the portion of the Property taken passes to and vests in the condemnor or (ii) the date on which Tenant is dispossessed.

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

13.2 General. If during the Term or during the period between the execution of this Lease and the Commencement Date, there is any Taking of all or any part of the Premises or any interest in this Lease, the rights and obligations of the parties hereunder shall be determined pursuant to this Section. City and Landlord intend that the provisions hereof govern fully in the event of a Taking and accordingly, the parties each hereby waive any right to terminate this Lease in whole or in part under Sections 1265.120 and 1265.130 of the California Code of Civil Procedure or under any similar law now or hereafter in effect.

13.3 Total Taking; Automatic Termination. If there is a total Taking of the Premises, then this Lease shall terminate as of the Date of Taking.

13.4 Partial Taking; Election to Terminate.

(a) If there is a Taking of any portion (but less than all) of the Premises, then this Lease shall terminate in its entirety if all of the following exist: (A) the partial Taking, renders the remaining portion of the Premises untenable or unsuitable for continued use by City for its intended purposes or otherwise materially adversely affect City's normal operations in the Premises, (B) the condition rendering the Premises untenable or unsuitable either is not curable or is curable but Landlord is unwilling or unable to cure such condition, and (C) City elects to terminate.

(b) In the case of a partial taking of a substantial portion of the Building, City and Landlord shall each have the right to terminate this Lease by written notice to the other within thirty (30) days after such date, provided that as a

condition to City's right to terminate the portion of the Building taken shall in City's reasonable judgment, render the Premises unsuitable for continued use by City for its intended purposes or otherwise materially adversely affect City's normal operations in the Premises.

(c) Either party electing to terminate under the provisions of this Section 13 shall do so by giving the other party written notice to the other party before or within thirty (30) days after the Date of Taking, and thereafter this Lease shall terminate upon the later of the thirtieth day after such written notice is given or the Date of Taking.

13.5 Rent; Award. Upon termination of this Lease pursuant to an election under Section 13.4 above, then: (i) City's obligation to pay Rent shall continue up until the date of termination, and thereafter shall cease, except that Rent shall be reduced as provided in Section 13.6 below for any period during which this Lease continues in effect after the Date of Taking, and (ii) Landlord shall be entitled to the entire Award in connection therewith, except that City shall receive any Award made specifically for City's relocation expenses or the interruption of or damage to City's business or damage to City's Personal Property.

13.6 Partial Taking; Continuation of Lease. If there is a partial Taking of the Premises under circumstances where this Lease is not terminated in its entirety under Section 13.4 above, then this Lease shall terminate as to the portion of the Premises so taken, but shall remain in full force and effect as to the portion not taken, and the rights and obligations of the parties shall be as follows: (a) Rent shall be reduced by an amount that is in the same ratio to the Rent as the area of the Premises taken bears to the area of the Premises prior to the Date of Taking, and (b) Landlord shall be entitled to the entire Award in connection therewith, provided that City shall receive any Award made specifically for City's relocation expenses or the interruption of or damage to City's business or damage to City's Personal Property.

13.7 Temporary Takings. Notwithstanding anything to contrary in this Section, if a Taking occurs with respect to the Premises for a limited period of time not in excess of sixty (60) consecutive days, this Lease shall remain unaffected thereby, and City shall continue to pay Rent and to perform all of the terms, conditions and covenants of this Lease. In the event of such temporary Taking, City shall be entitled to receive that portion of any Award representing compensation for the use or occupancy of the Premises during the Term up to the total Rent owing by City for the period of the Taking.

14 ASSIGNMENT AND SUBLETTING

Except as provided in this Section below, City shall not directly or indirectly sell, assign, encumber, pledge or otherwise transfer or hypothecate all or any part of its interest in or rights with respect to the Premises or its leasehold estate hereunder or permit all or any portion of the Premises to be occupied by anyone other than itself or sublet all or any portion of the Premises, without Landlord's prior written consent in each instance, which shall not be unreasonably withheld or delayed. City shall have the right, upon notice to but without the consent of Landlord, to assign this Lease or sublet all or any of the Premises to any department, commission or agency of the City and County of San Francisco. Any subletting or assignment hereunder by City shall not result in City being released or discharged from any liability under this Lease. As a condition to Landlord's prior written consent as provided for in this paragraph, the subtenant or assignee, as the case may be, shall agree in writing to comply with and be bound by all of the terms, covenants, conditions, provisions and agreements of this Lease, and City shall deliver to Landlord, promptly after execution, an executed copy of each sublease or assignment, as the case may be, and an agreement of said compliance by each sublessee. Landlord's consent to one sale, assignment, encumbrance, subletting, occupation, lien or other transfer shall not be deemed to be a consent to any subsequent occurrence and any such transaction which does not comply with the provisions of this paragraph shall be void.

City shall pay all reasonable and actual costs of any subletting or assignment, including without limitation, real estate commissions and Landlord's reasonable attorneys fees expended in connection therewith (not to exceed \$1,000). Any net profit from any subletting or assignment shall be paid one-half to Landlord and one-half to City by any assignee or subtenant after payment of expenses, including any cost of improvements to the Premises, brokerage commissions, free rent and other concessions, and permit fees. Such net profit shall include, without limitation, any increase in rental over that paid by City under this Lease and any other consideration (or its cash equivalent) for execution of the assignment or sublease; provided, however, that net profit shall not include any profit from the sale of personal property. As a condition to any subletting or assignment, all assignees and subtenants shall verify in writing to Landlord all consideration paid or given or to be paid or given for such sublease or assignment.

15 DEFAULT; REMEDIES

15.1 Events of Default by City. Any of the following shall constitute an event of default by City hereunder:

(a) City's failure to make any timely payment of Rent and shall fail to cure such nonpayment within five (5) business days after receipt of written notice thereof from Landlord; provided that for the first two (2) monthly payments of Rent at the beginning of the Term and for the first monthly payment of Rent after the beginning of each new fiscal year for City, City shall have twenty (20) days to cure any such nonpayment after the payment of Rent is due;

(b) City's abandonment of the Premises for in excess of twenty (20) consecutive days; or

(c) City's failure to perform any other covenant or obligation of City hereunder (not involving the payment of money) and failure to cure such non-performance within thirty (30) days, provided that if more than thirty (30) days are reasonably required for such cure, no event of default shall occur if City commences such cure within such period and diligently prosecutes such cure to completion.

15.2 Landlord's Remedies. Upon the occurrence of any event of default by City that is not cured within the applicable grace period as provided above, Landlord shall have all rights and remedies available pursuant to law or granted hereunder, including the following:

(a) The rights and remedies provided by California Civil Code Section 1951.2 (damages on termination for breach), including, but not limited to, the right to terminate City's right to possession of the Premises and to recover the worth at the time of award of the amount by which the unpaid Rent for the balance of the Term after the time of award exceeds the amount of rental loss for the same period that City proves could be reasonably avoided, as computed pursuant to subsection (b) of such Section 1951.2.

(b) The rights and remedies provided by California Civil Code Section 1951.4 (continuation of lease after breach and abandonment), which allows Landlord to continue this Lease in effect and to enforce all of its rights and remedies under this Lease, including the right to recover Rent as it becomes due, for so long as Landlord does not terminate City's right to possession. Acts of maintenance or preservation or efforts to relet the premises, shall not constitute a termination of City's right to possession.

16 INDEMNITIES

16.1 City's Indemnity. City shall indemnify, defend and hold harmless ("Indemnify") Landlord and its Agents from and against any and all claims, costs and expenses, including, without limitation, reasonable attorneys' fees, (collectively,

"Claims"), incurred as a result of (a) City's use or occupancy of the Premises, (b) any default by City in the performance of any of its obligations under this Lease, or (c) any negligent or willful acts or omissions of City, its Agents or invitees, in, on or about the Premises or the Property; provided, however, City shall not be obligated to Indemnify Landlord or its Agents to the extent any Claim arises out of the active negligence or willful misconduct of Landlord or its Agents. In any action or proceeding brought against Landlord or its Agents by reason of any Claim Indemnified by City hereunder, City may, at its sole option, elect to defend such Claim by attorneys in City's Office of the City Attorney, by other attorneys selected by City, or both. City shall have the right to control the defense and to determine the settlement or compromise of any action or proceeding, provided that Landlord shall have the right, but not the obligation, to participate in the defense of any such Claim at its sole cost and provided further that no such settlement shall obligate Landlord in any manner without the prior written approval of Landlord. City hereby assumes all risks and waives all claims against Landlord for any damage to property or any injury to or death of any person in or about the Premises or the Building arising from any cause whatsoever except to the extent caused by the negligence or willful misconduct of Landlord or its Agents. City's obligations under this Section shall survive the termination of the Lease.

16.2 Landlord's Indemnity. Landlord shall Indemnify City and its Agents against any and all Claims incurred as a result of (a) any default by Landlord in the performance of any of its obligations under this Lease or any breach of any representations or warranties made by Landlord hereunder, or (b) any negligent or willful acts or omissions of Landlord or its Agents in, on or about the Premises or the Property; provided, however, Landlord shall not be obligated to Indemnify City or its Agents to the extent any Claim arises out of the active negligence or willful misconduct of City or its Agents. In any action or proceeding brought against City or its Agents by reason of any Claim Indemnified by Landlord hereunder, Landlord may, at its sole option, elect to defend such Claim by attorneys selected by Landlord. Landlord shall have the right to control the defense and to determine the settlement or compromise of any action or proceeding, provided that City shall have the right, but not the obligation, to participate in the defense of any such Claim at its sole cost. Landlord's obligations under this Section shall survive the termination of the Lease.

17 INSURANCE

17.1 City's Self-Insurance. Landlord acknowledges that City maintains a program of self-insurance and agrees that City shall not be required to carry any third-party comprehensive general liability insurance or other insurance with respect to

this Lease. City assumes the risk of damage to any of City's Personal Property, except for damage caused by the negligence or willful misconduct of Landlord or its Agents.

17.2 Landlord's Insurance. At all times during the Term, Landlord shall keep the Building (excluding the land upon which it is located) insured against damage and destruction by fire, earthquake, vandalism, malicious mischief, sprinkler damage and other perils customarily covered under an all risk insurance policy in an amount equal to one hundred percent of the full insurance replacement value (replacement cost new, including, debris removal and demolition) thereof. Notwithstanding the foregoing, Landlord shall not be obligated to carry earthquake insurance if the premium for such earthquake insurance policy is in excess of twenty five percent (25%) of the premium for the casualty insurance policy required hereunder. Landlord shall, prior to the Commencement Date and thereafter within thirty (30) days prior to the expiration of such policy, provide to City an original certificate of insurance issued by the insurance carrier, evidencing the insurance required above. The certificate shall expressly provide that the policy is not cancelable or subject to reduction of coverage or otherwise be subject to modification except after thirty (30) days prior written notice to City. City shall be named as an additional insured under the policy of all risk coverage insurance maintained by Landlord.

18 ACCESS BY LANDLORD

Landlord reserves for itself and any designated Agent the right to enter the Premises at all reasonable times and, except in cases of emergency (in which event Landlord shall give any reasonable notice), after giving City at least twenty four (24) hours' advance written or oral notice, for the purpose of (i) inspecting the Premises, (ii) supplying any service to be provided by Landlord hereunder, (iii) showing the Premises to any prospective purchasers, mortgagees or, during the last six (6) months of the Term of this Lease, tenants, (iv) posting notices of non-responsibility, and (v) altering, improving or repairing the Premises and any portion of the Building, and Landlord may for that purpose erect, use and maintain necessary structures in and through the Premises where reasonably required by the character of the work to be performed, provided that the entrance to the Premises shall not be blocked thereby, and further provided that Landlord shall use its best efforts not to interfere with City's use of the Premises. Landlord shall at all times have a key to unlock all of the doors in and about the Premises.

19 ESTOPPEL CERTIFICATES

Either party, from time to time during the Term upon not less than ten (10) days' prior written notice from the other party, shall execute, acknowledge and deliver to the other party, or such persons or entities designated by such other party, a certificate stating: (a) the Commencement Date and Expiration Date of this Lease, (b) that this Lease is unmodified and in full force and effect (or, if there have been modifications, that the Lease is in full force and effect as modified and stating the modifications), (c) that there are no defaults under this Lease (or if so, specifying the same), (d) the date to which Rent has been paid, and (e) any other information that may be reasonably required.

20 SURRENDER OF PREMISES

Upon the expiration or sooner termination of this Lease, City shall surrender the Premises to Landlord in good order and condition, reasonable use and wear and damage by fire or other casualty excepted. Within two (2) days after the Expiration Date, City shall remove from the Premises all of City's Personal Property, City's telecommunications, data and computer facilities and any Alterations City desires or is required to remove from the Premises pursuant to the provisions of Section 7.1, Alterations by City, above. City shall repair or pay the cost of repairing any damage to the Premises or the Building resulting from such removal. Notwithstanding anything to the contrary herein, City shall not be required to demolish or remove from the Premises any of the Leasehold Improvements. City's obligations under this Section shall survive the expiration or earlier termination of this Lease.

21 HAZARDOUS MATERIALS

21.1 Definitions. As used herein, the following terms shall have the meanings hereinafter set forth:

(a) "Environmental Laws" shall mean any federal, state, local or administrative law, rule, regulation, order or requirement relating to industrial hygiene, environmental conditions or Hazardous Material, whether now in effect or hereafter adopted.

(b) "Hazardous Material" shall mean any material that, because of its quantity, concentration or physical or chemical characteristics, is deemed by any federal, state or local governmental authority to pose a present or potential hazard to human health or safety or to the environment. Hazardous Material includes, without limitation, any material or substance defined as a "hazardous substance," or "pollutant" or "contaminant" pursuant to the Comprehensive Environmental Response,

Compensation and Liability Act of 1980 ("CERCLA", also commonly known as the "Superfund" law), as amended, (42 U.S.C. Sections 9601 et seq.), or pursuant to Section 25316 of the California Health & Safety Code; any "hazardous waste" listed pursuant to Section 25140 of the California Health & Safety Code; any asbestos and asbestos containing materials whether or not such materials are part of the structure of the Building or are naturally occurring substances on or about the Property; and petroleum, including crude oil or any fraction thereof, natural gas or natural gas liquids.

(c) "Release" when used with respect to Hazardous Material shall include any actual or imminent spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing into or inside the Building, or in, on, under or about the Property.

21.2 Landlord's Representations and Covenants. Landlord represents and warrants to City that, to the best of Landlord's knowledge, the following statements are true and correct and will be true and correct as of the Commencement Date: (a) the Property is not in violation of any Environmental Laws; (b) the Property is not now, nor has it been, used for the manufacture, use, storage, discharge, deposit, transportation or disposal of any Hazardous Material, except for the use of such substances in such limited quantities as are customarily used in offices, which limited use has been and is in compliance with Environmental Laws; (c) the Property does not consist of any landfill or contain any underground storage tanks, nor does the Property consist of any building materials that contain asbestos or any other Hazardous Material; (d) there has been and is no Release of any Hazardous Material in the Building or in, on, under or about the Property; and (e) the Property is not subject to any claim by any governmental regulatory agency or third party related to the Release of any Hazardous Material, and there is no inquiry by any governmental agency (including, without limitation, the California Department of Toxic Substances Control or the Regional Water Quality Control Board) with respect to the presence of Hazardous Material in the Building or in, on, under or about the Property, or the migration of Hazardous Material from or to other real property. Subject to City's obligations under this Section below, Landlord shall maintain the Property throughout the Term in compliance with all Environmental Laws that could affect the health, safety and welfare of City's employees or City's use, occupancy or enjoyment of the Premises for their intended purposes.

21.3 Landlord's Environmental Indemnity. Without limiting Landlord's Indemnity in Section 16.2 [Landlord's Indemnity] above, Landlord shall Indemnify City and its Agents against any and all Claims arising during or after the Term of this Lease (a) as a result of any breach of any of Landlord's representations,

warranties or covenants in the preceding Section, or (b) in connection with any presence or Release of Hazardous Material in the Building or on, under or about the Property caused by Landlord or its Agents.

21.4 City's Covenants. Neither City nor its Agents shall cause any Hazardous Material to be brought upon, kept, used, stored, generated or disposed of in, on or about the Premises or the Property, or transported to or from the Premises or the Property, in violation of any Environmental Laws, provided that City may use such substances in such limited amounts as are customarily used in offices so long as such use is in compliance with all applicable Environmental Laws.

21.5 City's Environmental Indemnity. If City breaches its obligations contained in the preceding Section, or if City or its Agents or invitees cause the Release of Hazardous Material from, in, on or about the Premises or the Property, then City shall Indemnify Landlord against any and all Claims arising during or after the Term of this Lease as a result of such Release, except to the extent Landlord or its Agents is responsible for the Release. The foregoing Indemnity shall not include any Claims resulting from the non-negligent aggravation by City, its Agents or Invitees of physical conditions of the Premises, or other parts of the Property, existing prior to City's occupancy.

22 SPECIAL PROVISIONS

22.1 Option to Expand. Provided City is not then in default hereunder, City shall have the option (the "Expansion Option") to lease additional space on the fifth and sixth floors of the Building (the "Expansion Premises"), on the same terms and conditions as contained in this Lease, except that Rent for such Expansion Premises shall be calculated at \$15 per rentable square foot during the initial term and at the per rentable square foot rate determined in accordance with Section 4.3 during the Extended Term (as computed in accordance with the "Standard Method for Measuring Floor Area in Office Buildings, the American National Standard" (ANSI Z65.1 1980, reaffirmed 1989), adopted by BOMA) and except for terms applicable to leasehold improvements for the Expansion Premises as set forth below. City may exercise the Expansion Option only in accordance with the following terms and conditions. City shall give Landlord written notice of its intention to take a portion of the Additional Premises and designate the portion it desires to take. If such space is not then leased, Landlord and City shall immediately enter into an amendment of this lease adding such premises to the definition of "Premises" as set forth in Section 2 above and setting forth the rent and tenant improvement allowance calculated in accordance with this Section 22; provided, however, that in the event City desires to take less than an entire floor, City shall take at least one-half of the floor and the portion of the floor to be

taken by City shall be designated by Landlord. City acknowledges that it will be necessary to have building corridors through its space in the event that City takes less than an entire floor. Landlord shall not be required to lease to City any portion of a floor which would leave Landlord with any remaining portion of the floor which was not commercially and economically rentable to third parties.

If the space designated by City is then leased, Landlord shall not enter into a lease with any third party tenant for such space when it becomes available without first offering such space to City as follows. Landlord shall notify City in writing at least thirty (30) days prior to the date when such space is available. City shall have thirty (30) days from receipt of such notice to notify Landlord that it will take the space on the terms set forth in this Section 22. If City timely notifies Landlord of its election to take such space, City shall have an additional sixty (60) days in which to have the City's Mayor and Board of Supervisors enact a resolution approving such election. City's rights under this paragraph shall be deemed to have been waived, and Landlord shall be free to lease the space to anyone without any further obligation to City: (i) if City fails to respond to said notice within said thirty (30) day period; (ii) after giving written notice of its exercise of its option, if Landlord and City do not enter into a lease amendment (subject to approval of City's Mayor and Board of Supervisors) within forty five (45) days and Landlord has used its good faith efforts to enter into such amendment or (iii) if City's Mayor and Board of Supervisors do not enact a resolution approving such action within said sixty (60) days. As used herein, "third-party tenant" excludes any tenant or party then in possession of any portion of the Premises.

If City exercises the Expansion Option the following provisions shall apply:

If the Expansion Premises are not then improved for general office use at the time of City's notice to exercise the Expansion Option, Landlord shall improve the Expansion Premises for general office use in accordance with a cost estimate and plans and specifications approved by City. Said plans and specifications shall to the extent possible be the same as the Common Area Pricing Plans and the Premises Pricing Plans, including, without limitation, with respect to private offices and power stubs for furniture systems, the types of building materials, mechanical systems, floor card access reader (with 20 additional cards) and the nature and quality of finishing work and carpets; provided, however, that Landlord shall have no obligation to install any other security system, wiring other than typical electrical wiring or an HVAC system other than a typical HVAC system. Landlord shall bear the cost of such tenant improvements to the Expansion Premises in accordance with the approved plans and

specifications; provided, however, that in the event that there are less than sixty (60) months remaining on the lease term as of the date of delivery of the Expansion Premises to City, Landlord shall bear a portion of the cost of constructing such improvements equal to the cost multiplied by a fraction, the numerator of which is the number of months remaining in the Lease Term (and any exercised extension thereof) after the date of the delivery of the Expansion Premises to City and the denominator of which is sixty (60), and City shall pay any such excess cost; provided, further, that the City shall not be required to pay any portion of the cost of any common area improvements made by Landlord. The determination of substantial completion of such improvements to the Expansion Premises, and all other issues related to the acceptance of such improvements by City and commencement of occupancy of the Expansion Premises shall, except as otherwise specified in this Section, be governed the provisions of Article 6 above as if the "Leasehold Improvements" described therein pertained to the improvement of the Expansion Premises as described above.

In the event the Expansion Premises are improved and acceptable to City for general office use at the time of City's notice to exercise the Expansion Option, City shall lease such space commencing on the date 120 days following City's notice.

22.2 Covenant Not to Lease Basement Space to Non-Tenants. During the term hereof (including any Extension Term), Landlord shall not lease any storage space in the basement of the Building to any person who is not a tenant of the Building without the consent of City.

23 GENERAL PROVISIONS

23.1 Notices. Except as otherwise specifically provided in this Lease, any notice given under this Lease shall be in writing and given by delivering the notice in person or by commercial courier, or by sending it by first-class mail, certified mail, return receipt requested, or Express Mail, return receipt requested, with postage prepaid, to: (a) City at Tenant's address set forth in the Basic Lease Information; or (b) Landlord at Landlord's address set forth in the Basic Lease Information; or (c) such other address as either Landlord or City may designate as its new address for such purpose by notice given to the other in accordance with this Section. For the convenience of the parties, copies of notices may also be given by telefacsimile to the facsimile number listed in the Basic Lease Information for such party or such other numbers as may be provided from time to time. Any notice hereunder shall be deemed to have been given and received two (2) days after the date when it is mailed if sent by first-class, certified mail, one day after the date when it is mailed if sent by Express Mail, or upon the date personal delivery is made. For convenience of the parties, copies of

notices may also be given by telefacsimile to the telephone number set forth in the Basic Lease Information or such other number as may be provided from time to time; however, neither party may give official or binding notice by facsimile.

23.2 No Implied Waiver. No failure by either party to insist upon the strict performance of any obligation of the other party under this Lease or to exercise any right, power or remedy consequent upon a breach thereof shall constitute a waiver of any such breach or of such term, covenant or condition. No acceptance of full or partial Rent by Landlord while City is in default hereunder shall constitute a waiver of such default by Landlord. No express written waiver of any default or the performance of any provision hereof shall affect any other default or performance, or cover any other period of time, other than the default, performance or period of time specified in such express waiver. One or more written waivers of a default or the performance of any provision hereof shall not be deemed to be a waiver of a subsequent default or performance. The consent of Landlord or City given in one instance under the terms of this Lease shall not relieve the other party of any obligation to secure the consent to any other or future instance under the terms of the Lease.

23.3 Amendments. Neither this Lease nor any term 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 shall affect or alter this Lease, but each and every term, covenant and condition of this Lease shall continue in full force and effect with respect to any other then-existing or subsequent breach thereof.

23.4 Authority. Landlord represents and warrants to City that the execution of this Lease by Landlord has been duly authorized and does not violate any provision of any agreement to which Landlord or the Property is subject.

23.5 Parties and Their Agents; Approvals. If applicable, the word "Landlord" as used herein shall include the plural as well as the singular. As used herein, the term "Agents" when used with respect to either party shall include the agents, employees, officers and contractors of such party. All approvals, consents or other determinations permitted or required by City hereunder shall be made by or through City's Director of Property unless otherwise provided in this Lease, subject to applicable law.

23.6 Interpretation of Lease. The captions preceding the articles and sections of this Lease and in the table of contents have been inserted for convenience of reference only and such captions shall in no way define or limit the scope or intent of

any provision of this Lease. This Lease has been negotiated at arm's length and between persons sophisticated and knowledgeable in the matters dealt with herein and shall be interpreted to achieve the intents and purposes of the parties, without any presumption against the party responsible for drafting any part of this Lease. Except as otherwise specifically provided herein, wherever in this Lease Landlord or City is required or requested to give its consent or approval to any matter or action by the other, such consent or approval shall not be unreasonably withheld or delayed and the reasons for disapproval of consent shall be stated in reasonable detail in writing. Provisions in this Lease relating to number of days shall be calendar days, unless otherwise specified, provided that if the last day of any period to give notice, reply to a notice or to undertake any other action occurs on a Saturday, Sunday or a bank or City holiday, then the last day for undertaking the action or giving or replying to the notice shall be the next succeeding business day. Use of the word "including" or similar words shall not be construed to limit any general term, statement or other matter in this Lease, whether or not language of non-limitation, such as "without limitation" or similar words, are used.

23.7 Successors and Assigns. Subject to the provisions of Section 14 relating to assignment and subletting, the terms, covenants and conditions contained in this Lease shall bind and inure to the benefit of Landlord and City and, except as otherwise provided herein, their personal representatives and successors and assigns. There are no third-party beneficiaries to this Lease.

23.8 Brokers. Neither party has had any contact or dealings regarding the leasing of the Premises, or any communication in connection therewith, through any licensed real estate broker or other person who could claim a right to a commission or finder's fee in connection with the lease contemplated herein, except for the broker, if any, identified in the Basic Lease Information, whose commission, if any is due, shall be the sole responsibility of Landlord pursuant to a separate written agreement between Landlord and such broker, and City shall have no liability therefor. In the event that any other broker or finder perfects a claim for a commission or finder's fee based upon any such contact, dealings or communication, the party through whom the broker or finder makes his claim shall be responsible for such commission or fee and shall Indemnify the other party from any and all Claims incurred by the indemnified party in defending against the same. The provisions of this Section shall survive any termination of this Lease.

23.9 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, shall not be affected thereby, and each other provision of this Lease shall be valid and be enforceable to the full extent permitted by law.

23.10 Governing Law. This Lease shall be construed and enforced in accordance with the laws of the State of California.

23.11 Entire Agreement. The parties intend that this Lease (including all of the attached exhibits, which are made a part of this Lease) shall be the final expression of their agreement with respect to the subject matter hereof and may not be contradicted by evidence of any prior or contemporaneous written or oral agreements or understandings. The parties further intend that this Lease shall constitute the complete and exclusive statement of its terms and that no extrinsic evidence whatsoever (including prior drafts hereof and changes therefrom) may be introduced in any judicial, administrative or other legal proceeding involving this Lease.

23.12 Attorneys' Fees. In the event that either Landlord or City fails to perform any of its obligations under this Lease or in the event a dispute arises concerning the meaning or interpretation of any provision of this Lease, the defaulting party or the party not prevailing in such dispute, as the case may be, shall pay any and all costs and expenses incurred by the other party in enforcing or establishing its rights hereunder (whether or not such action is prosecuted to judgment), including, without limitation, court costs and reasonable attorneys' fees. For purposes of this Agreement, reasonable fees of attorneys of City's Office of the City Attorney shall be based on the fees regularly charged by private attorneys with the equivalent number of years of experience in the subject matter area of the law for which the City Attorney's services were rendered who practice in the City of San Francisco in law firms with approximately the same number of attorneys as employed by the Office of the City Attorney.

23.13 Holding Over. Should City hold over in possession of the Premises after the expiration of the Term with Landlord's consent, such holding over shall not be deemed to extend the Term or renew this Lease, but such tenancy thereafter shall continue as a month-to-month tenancy. Such tenancy shall be on all the terms and conditions set forth in this Lease and at the monthly Base Rent in effect during the last month of the Term of the Lease or such other rental as Landlord and City may mutually agree in writing as a condition to Landlord's consent to such holding over, and City shall continue as a month-to-month tenant until the tenancy shall be terminated by Landlord giving City or City giving Landlord at least thirty (30) days' prior written notice of termination. Should City hold over without Landlord's

consent, the rent payable by City during the period of such holding over shall be one hundred ten percent (110%) of the monthly rental in effect during the last month of the Term of this Lease, and such tenancy shall otherwise be on the terms and conditions contained herein.

23.14 Cumulative Remedies. All rights and remedies of either party hereto set forth in this Lease shall be cumulative, except as may otherwise be provided herein.

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

23.16 Survival of Indemnities. Termination of this Lease shall 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, nor shall it effect any provision of this Lease that expressly states it shall survive termination hereof.

23.17 Signs. City may erect or post signs on or about the Premises subject to Landlord's prior approval as provided below. Landlord reserves the right to review the placement, design, and plan for any such sign prior to its erection or posting and agrees that the approval thereof shall not be unreasonably withheld or delayed.

23.18 Quiet Enjoyment and Title. Landlord covenants and represents that it has full right, power and authority to grant the leasehold estate hereunder, and covenants that City, upon paying the Rent hereunder and performing the covenants hereof, shall peaceably and quietly have, hold and enjoy the Premises and all appurtenances during the full Term of this Lease as against all persons or entities claiming by and through Landlord or on account of any action, inaction or agreement of Landlord or its Agents. Without limiting the provisions of Section 16.2 (Indemnities), Landlord agrees to Indemnify City and its Agents against Claims arising out of any assertion that would interfere with City's right to quiet enjoyment as provided in this Section.

23.19 Bankruptcy. Landlord represents and warrants to City that Landlord has neither filed nor been the subject of any filing of a petition under the federal bankruptcy law or any federal or state insolvency laws or laws for composition of indebtedness or for the reorganization of debtors, and, to the best of Landlord's knowledge, no such filing is threatened. Landlord and City agree that City's leasehold estate created hereby includes, without limitation, all rights to receive and enjoy all services, facilities and amenities of the Premises and the Building as provided herein, and that if any of such services, facilities or amenities are terminated, or materially

limited or restricted on account of any such case or proceeding, City shall have the right to (i) contract directly with any third-party provider of such services, facilities or amenities to obtain the same, and (ii) offset against the Base Rent or other charges payable hereunder any and all reasonable costs and expenses incurred by City in obtaining such services, facilities or amenities.

23.20 Transfer of Landlord's Interest. Landlord shall have the right to transfer its interest in the Real Property, the Building or this Lease. In the event of any such transfer, Landlord shall be relieved, upon notice to City of the name and address of Landlord's successor, of any obligations accruing hereunder from and after the date of such transfer and upon delivering to City an express assumption by the transferee of all of Landlord's obligations hereunder.

23.21 Non-Liability of City Officials, Employees and Agents. Notwithstanding anything to the contrary in this Agreement, no elective or appointive board, commission, member, officer, employee or agent of City shall be personally liable to Landlord, its successors and assigns, in the event of any default or breach by City or for any amount which may become due to Landlord, its successors and assigns, or for any obligation of City under this Lease.

23.22 MacBride Principles - Northern Ireland. The City and County of San Francisco urges companies doing business in Northern Ireland to move toward resolving employment inequities and encourages them to abide by the MacBride Principles as expressed in San Francisco Administrative Code Section 12F.1, et seq. The City and County of San Francisco also urges San Francisco companies to do business with corporations that abide by the MacBride Principles. Landlord acknowledges that it has read and understands the above statement of the City and County of San Francisco concerning doing business in Northern Ireland.

23.23 Controller's Certification of Funds. The terms of this Lease shall be governed by and subject to the budget and fiscal provisions of the Charter of the City and County of San Francisco. Notwithstanding anything to the contrary contained in this Lease, there shall be no obligation for the payment or expenditure of money by City under this Agreement unless the Controller of the City and County of San Francisco first certifies, pursuant to Section 6.302 of the Charter of the City and County of San Francisco, that there is a valid appropriation from which the expenditure may be made and that unencumbered funds are available from the appropriation to pay the expenditure; provided, however, that Landlord shall have the right to terminate City's tenancy in accordance with Section 15 if City fails to timely pay rent. Without limiting the foregoing, if in any fiscal year of City after the fiscal year in

which the Term of this Lease commences, sufficient funds for the payment of Rent and any other payments required under this Lease are not appropriated for any reason, then City may terminate this Lease, without penalty, liability or expense of any kind to City, as of the last date for which sufficient funds are appropriated. City shall use its best efforts to give Landlord reasonable advance notice of such termination. City agrees that it will not fail to appropriate sufficient funds for the payment of Rent and any other payments required hereunder for the purpose of appropriating funds for the rental of space in another building in which the City will conduct the operations then being conducted by City in the Premises. City shall use its best efforts to obtain sufficient funds for the payment of Rent and any other payments required hereunder.

23.24 Prevailing Wages for Construction Work. Landlord agrees that any person performing labor in the construction of the Leasehold Improvements or other improvements to the Premises which Landlord provides under this Lease shall be paid not less than the highest generally prevailing rate of wages and that Landlord shall include, in any contract for construction of such improvements, a requirement that all persons performing labor under such contract shall be paid not less than the highest prevailing rate of wages for the labor so performed. Landlord further agrees that, as to the construction of such improvements under this Lease, Landlord shall comply with all the provisions of subsection (b) of San Francisco Charter Section 7.204 and Sections 6.33 through 6.45 of the San Francisco Administrative Code that relate to payment of prevailing wages.

23.25 Tropical Hardwood Ban. (a) Except as expressly permitted by the application of Sections 12I.3.b and 12I.4.b of the San Francisco Administrative Code, neither Landlord nor any of its contractors shall provide any items to City in the construction of the Leasehold Improvements or otherwise in the performance of this Lease which are tropical hardwoods or tropical hardwood products. (b) The City and County of San Francisco urges companies not to import, purchase, obtain or use for any purpose, any tropical hardwood or tropical hardwood product. (c) In the event Landlord fails to comply in good faith with any of the provisions of Section 12I of the San Francisco Administrative Code, Landlord shall be liable for liquidated damages for each violation in any amount equal to Landlord's net profit on the contract, or five percent (5%) of the total amount of the contract dollars, whichever is greatest. Landlord acknowledges and agrees that the liquidated damages assessed shall be payable to the City and County of San Francisco upon demand and may be set off against any monies due to Landlord from any contract with the City and County of San Francisco.

23.26 Counterparts. This Lease may be executed in two or more counterparts, each of which shall be deemed an original, but

all of which taken together shall constitute one and the same instrument.

23.27 Effective Date. The date on which this Lease shall become effective (the "Effective Date") is the date upon which (i) City's Mayor and Board of Supervisors enact a resolution approving this Lease in accordance with all applicable laws and (ii) this Lease is duly executed by the parties hereto.

23.28 Rent. All monetary obligation of City under this lease shall be deemed rent.

23.29 Landlord's Default. If City obtains a money judgment against Landlord resulting from any default or other claim arising under this Lease, such judgment shall be satisfied only out of Landlord's right, title and interest in the Building and the underlying real property. No other real, personal or mixed property of Landlord (or of any of the individuals who comprise Landlord) shall be subject to levy to satisfy any such judgment.

NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS LEASE, LANDLORD ACKNOWLEDGES AND AGREES THAT NO OFFICER OR EMPLOYEE OF CITY HAS AUTHORITY TO COMMIT CITY HERETO UNLESS AND UNTIL A RESOLUTION OF CITY'S BOARD OF SUPERVISORS HAS BEEN DULY ENACTED APPROVING THIS LEASE AND AUTHORIZING CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED HEREBY. THEREFORE, ANY OBLIGATIONS OR LIABILITIES OF CITY HEREUNDER ARE CONTINGENT UPON ENACTMENT OF SUCH A RESOLUTION, AND THIS LEASE SHALL BE NULL AND VOID UNLESS CITY'S MAYOR AND BOARD OF SUPERVISORS APPROVE THIS LEASE, IN THEIR RESPECTIVE SOLE AND ABSOLUTE DISCRETION, AND IN ACCORDANCE WITH ALL APPLICABLE LAWS. APPROVAL OF THIS LEASE BY ANY DEPARTMENT, COMMISSION OR AGENCY OF CITY SHALL NOT BE DEEMED TO IMPLY THAT SUCH RESOLUTION WILL BE ENACTED NOR WILL ANY SUCH APPROVAL CREATE ANY BINDING OBLIGATIONS ON CITY. IN THE EVENT THAT CITY DOES NOT NOTIFY LANDLORD WITHIN THIRTY (30) DAYS OF THE DATE OF THIS LEASE THAT SAID RESOLUTION HAS BEEN DULY ENACTED, LANDLORD SHALL HAVE THE RIGHT TO TERMINATE THIS LEASE BY SO NOTIFYING CITY. LANDLORD SHALL HAVE NO OBLIGATION TO COMMENCE THE LEASEHOLD IMPROVEMENT WORK UNLESS AND UNTIL SUCH RESOLUTION HAS BEEN DULY ENACTED.


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

LANDLORD:



Edward J. Conner

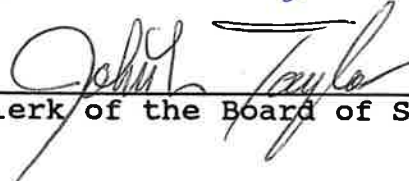
~~Co-Trustee, Conner Children Trust No. 2~~ *JK*


Douglas C. Moore
~~Co~~-Trustee, Conner Children Trust No. 2

CITY:

CITY AND COUNTY OF SAN FRANCISCO,
a municipal corporation


Mayor


Clerk of the Board of Supervisors

RECOMMENDED:


San Francisco District Attorney


Director of Property

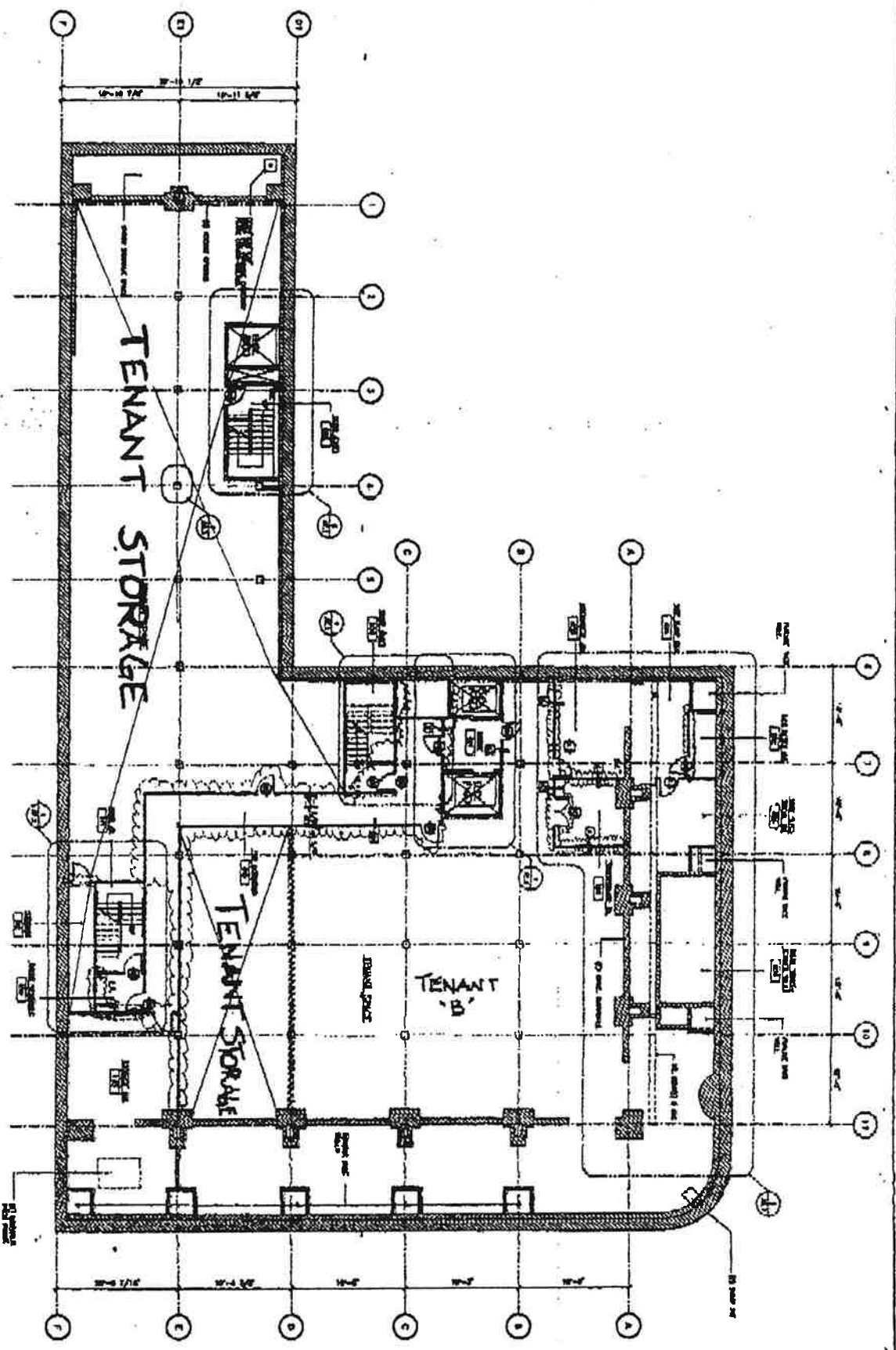
APPROVED AS TO FORM:
LOUISE H. RENNE, City Attorney

By 
Deputy City Attorney

OFFICE LEASE

EXHIBIT A

FLOOR PLANS
CONSISTING OF _____ PAGE(S)
(Include base floor plans B-4)



1 FLOOR PLAN: BASEMENT LEVEL

NOTES

1. REFER TO THE GENERAL NOTES.

WALL TYPE LEGEND

- CONCRETE AND LIGHT GYPSUM WALL
- CONCRETE WALL WITH CORE
- CONCRETE WALL WITH CORE AND INSULATION
- CONCRETE WALL WITH CORE AND INSULATION AND EXTERIOR FINISH
- CONCRETE WALL WITH CORE AND INSULATION AND EXTERIOR FINISH AND CURB
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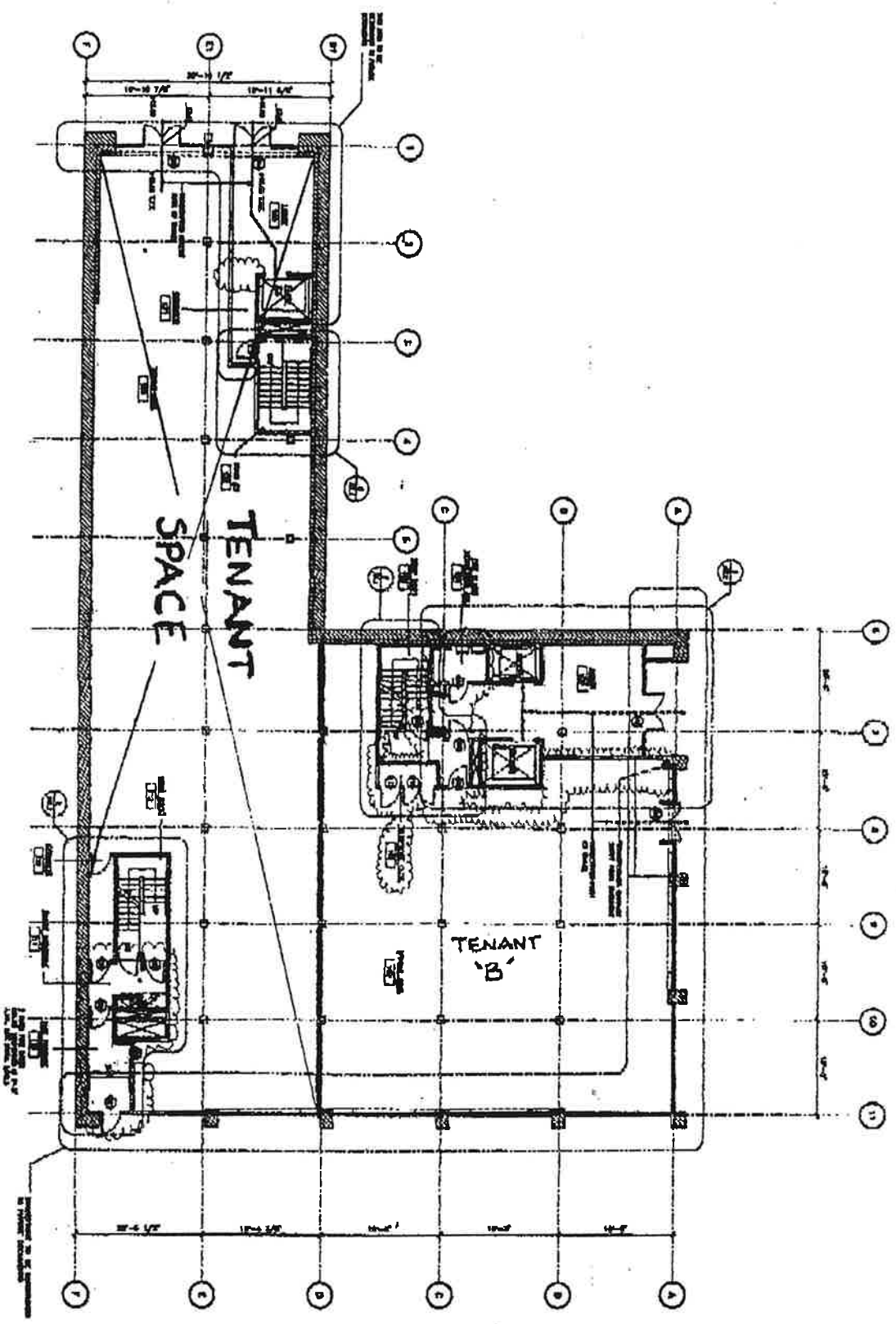
PROJECT NO.	617-623
DATE	12-15-94
SCALE	AS SHOWN
DESIGNER	CONNER-MCGLAGHILL
CHECKED BY	
APPROVED BY	

BASEMENT FLOOR PLAN

617-623

DANIEL FREDRIK JACOBIT
 ARCHITECT
 1000 15th St NW
 Suite 1000
 Washington, DC 20004
 Tel: 202-462-1111
 Fax: 202-462-1112

① FLOOR PLAN: FIRST FLOOR



WALL TYPE LEGEND

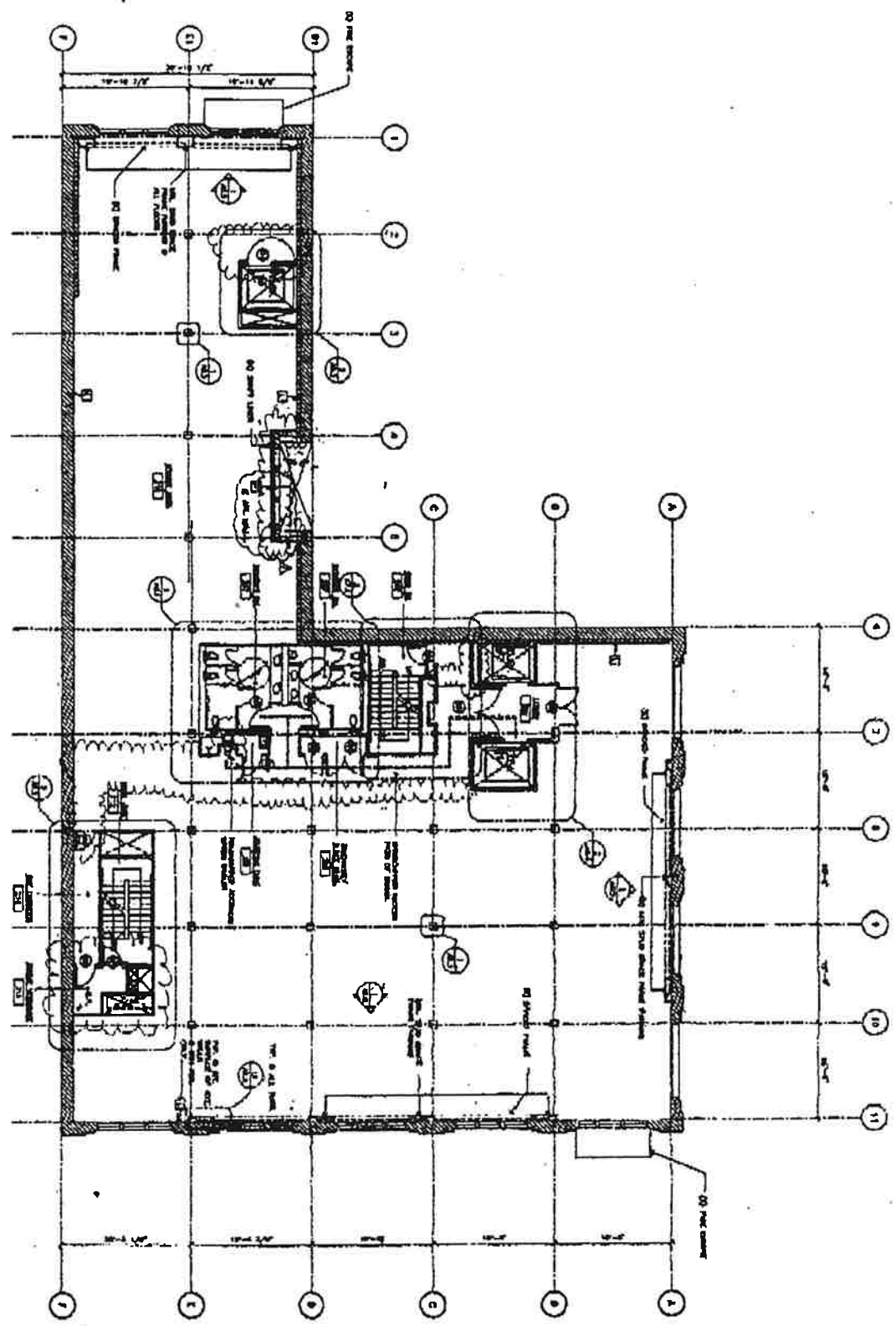
- 1/2\"/>



PROJECT NO.	617-623
FLOOR PLAN	PL
DATE	03-03-94
DRAWN BY	SW
CHECKED BY	SW
SCALE	AS SHOWN

DANIEL FREDX ARCH

1 FLOOR PLAN: FIFTH FLOOR
SECOND THRU THIRD FLOOR - SIM.



NOTES

1. VERIFY ALL DIMENSIONS AND LOCATIONS OF ALL EXISTING AND PROPOSED WORK.

WALL TYPE LEGEND

- 1. CONCRETE AND BRICK WALL
- 2. CONCRETE AND BLOCK WALL
- 3. CONCRETE WALL
- 4. CONCRETE WALL WITH GLASS
- 5. CONCRETE WALL WITH GLASS AND ALUMINUM CURTAIN WALL
- 6. CONCRETE WALL WITH GLASS AND STEEL CURTAIN WALL
- 7. CONCRETE WALL WITH GLASS AND ALUMINUM CURTAIN WALL WITH INSULATION
- 8. CONCRETE WALL WITH GLASS AND STEEL CURTAIN WALL WITH INSULATION
- 9. CONCRETE WALL WITH GLASS AND ALUMINUM CURTAIN WALL WITH INSULATION AND SOUND TREATMENT
- 10. CONCRETE WALL WITH GLASS AND STEEL CURTAIN WALL WITH INSULATION AND SOUND TREATMENT

TENANT SPACE - FULL FLOOR



EXHIBIT B-1

[Date]

Mr. Anthony J. DeLucchi
Director of Property
Real Estate Department
City and County of San Francisco
25 Van Ness Avenue, Suite 400
San Francisco, CA 94102

RE: Acknowledgement of Commencement Date, Lease Between
_____ (Landlord), and the CITY AND
COUNTY OF SAN FRANCISCO (Tenant), for premises known as
_____ located at

Dear Mr. DeLucchi:

This letter will confirm that for all purposes of the Lease,
the Commencement Date (as defined in Section 3.2 of the Lease) is
_____, 199_.

Please acknowledge your acceptance of this letter by signing
and returning a copy of this letter.

Very truly yours,

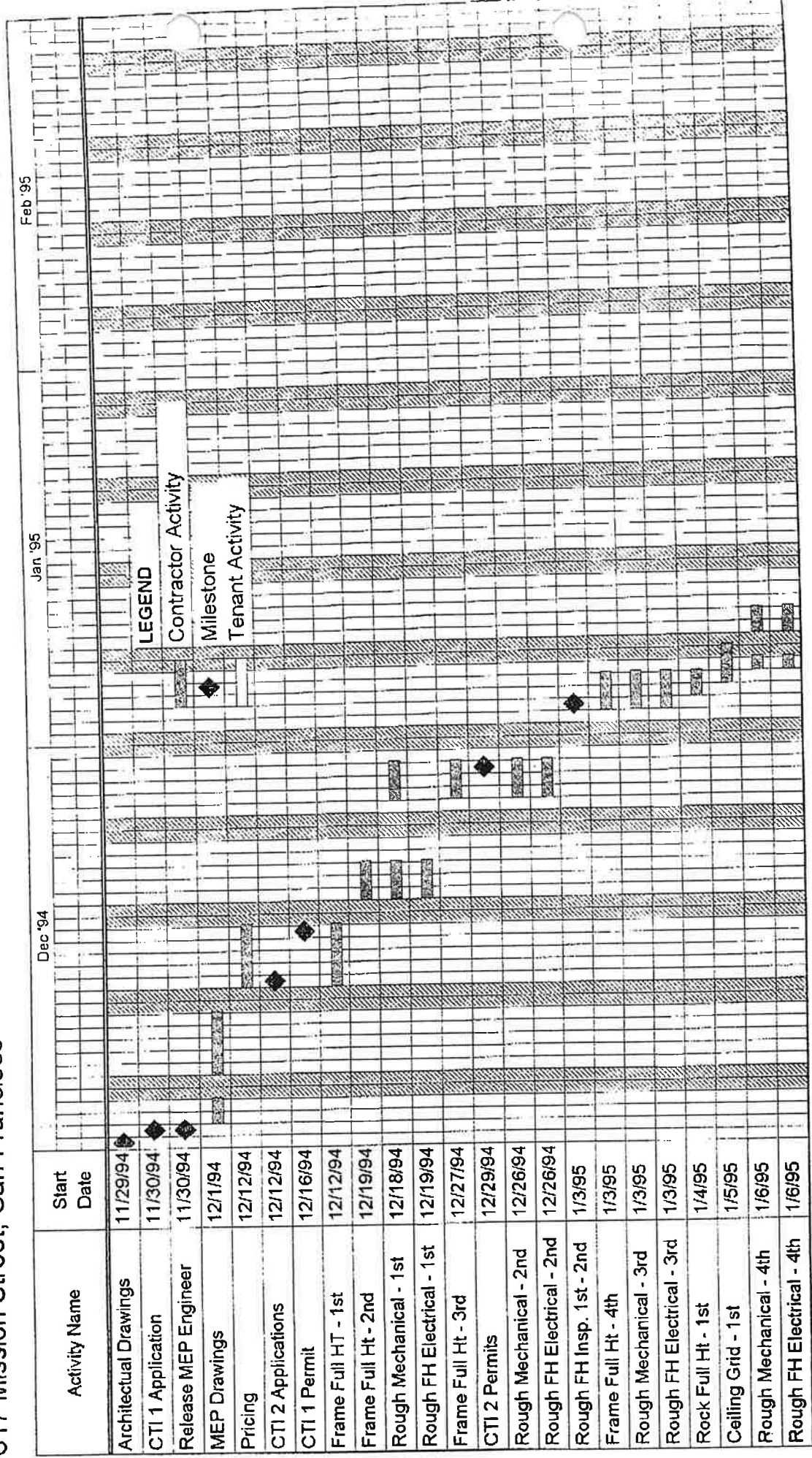
By _____
Title _____

Accepted and Agreed:

By _____
Director of Property
Dated _____

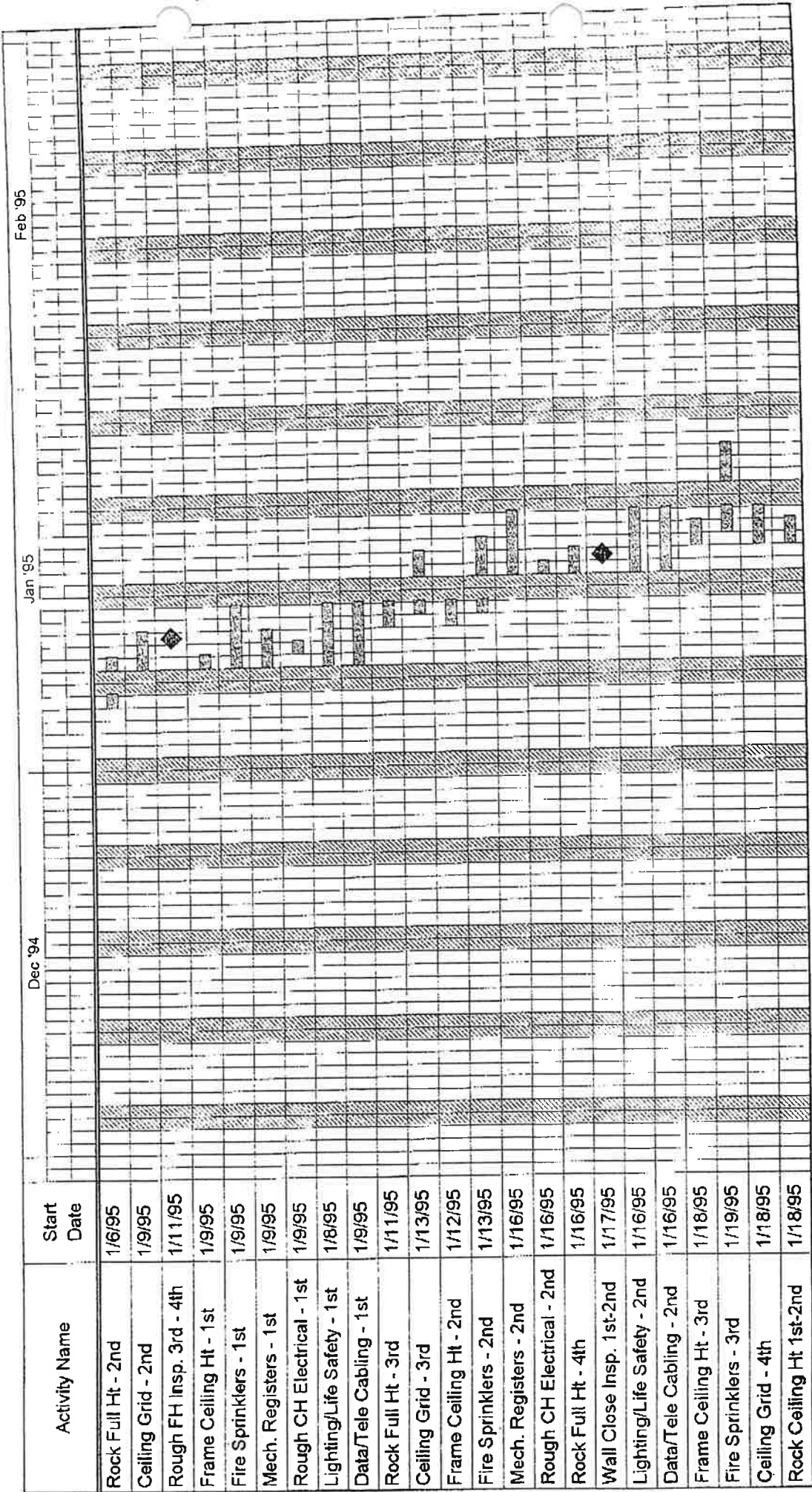
EXHIBIT B-2

CRITICAL PATH SCHEDULE



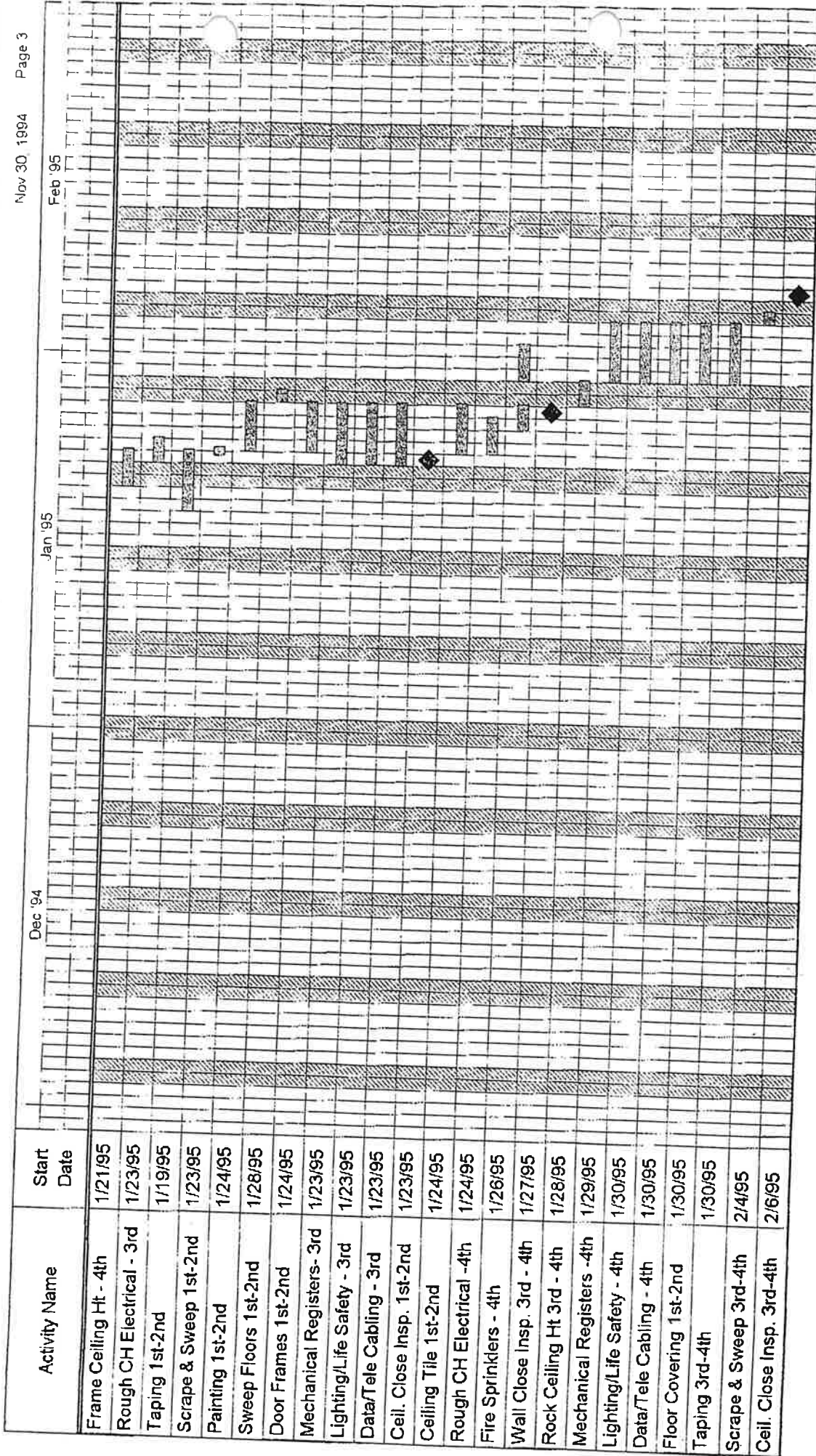
District Attorney Family Support Bureau
 617 Mission Street, San Francisco

Richlen Commercial Interiors



District Attorney Family Support Bureau
 617 Mission Street, San Francisco

Richlen Commercial Interiors



District Attorney Family Support Bureau
 617 Mission Street, San Francisco

Richlen Commercial Interiors

Activity Name	Start Date	Dec '94	Jan '95	Feb '95
Furniture Part. 1st-2nd	2/6/95			
Doors & Hard. 1st-2nd	2/6/95			
Electrical Trim 1st-2nd	2/6/95			
Window Covering 1st-2nd	2/6/95			
Ceiling Tile 3rd-4th	2/7/95			
Painting 3rd-4th	2/6/95			
Sweep Floors 3rd-4th	2/10/95			
Door Frames 3rd-4th	2/6/95			
Floor Covering 3rd-4th	2/11/95			
Connect Furniture 1st-2nd	2/13/95			
Doors & Hard. 3rd-4th	2/14/95			
Electrical Trim 3rd-4th	2/14/95			
Window Covering 3rd-4th	2/15/95			
Furniture Part. 3rd-4th	2/13/95			
T-Stats & Balance - All	2/13/95			
Connect Furniture 3rd-4th	2/18/95			
Final Clean	2/20/95			
Test Life Safety	2/13/95			
Fire Dept. Inspection	2/17/95			
Electrical Final Insp.	2/20/95			
Building Final Insp.	2/21/95			
Tenant Punch List	2/27/95			

EXHIBIT C

EXCLUSIONS FROM OPERATING COSTS

1. Costs of capital repairs, capital improvements and equipment, except for those (i) reasonably required for the health and safety of the occupants of the Building or required by laws enacted on or after the date of the Lease amortized over the useful life of the improvement and/or equipment, together with interest at the actual interest rate incurred by Landlord in connection with such capital improvements, or (ii) acquired to cause, in Landlord's good faith judgment, an immediate (i.e., commencing within the first year after completion of such repairs or improvements or installation of such equipment) reduction in other Operating Costs, amortized over the useful life of such improvements at an annual rate reasonably calculated to equal the amount of Operating Costs to be saved in each calendar year throughout the Term (as determined at the time Landlord elected to proceed with the capital improvement or acquisition of the capital equipment to reduce operating expenses), together with interest at the actual interest rate incurred by Landlord;
2. Rentals for items (except when needed in connection with normal repairs and maintenance of permanent systems) which if purchased rather than rented, would constitute a capital improvement which is specifically excluded in item 1 above (excluding, however, equipment not affixed to the Building which is used in providing janitorial or similar services);
3. Costs incurred by Landlord for the repair of damage to the Building, to the extent that Landlord is reimbursed by insurance proceeds (excluding any deductible) and costs occasioned by the exercise of the right of eminent domain;
4. Costs, including, without limitation, permit, license and inspection costs, incurred with respect to the installation of improvements made for other tenants or occupants of the Building or incurred in renovating or otherwise improving, decorating, painting or redecorating vacant space for other tenants or occupants in the Building;
5. Depreciation, amortization and interest payments, except to the extent provided herein pursuant to items 1(i) and 1(ii) above and except on materials, tools, supplies and vendor-type equipment purchased by Landlord to enable Landlord to supply services Landlord might otherwise contract for with a third party where such depreciation, amortization and interest payments would otherwise have been included in the charge for such third party's services, all as determined in accordance with generally accepted accounting principles, consistently applied (as applied to commercial real estate), and when depreciation or amortization is

permitted or required, the item shall be amortized over its reasonably anticipated useful life (as reasonably determined by Landlord);

6. Leasing commissions, attorneys' fees, space planning costs and all other costs and expenses in connection with negotiations with present or prospective tenants or other occupants in the Building or any present or future ground lessors or holders of any mortgages or other encumbrances affecting any of the Building or the defense of Landlord's title to the Building or the real property on which it is located;

7. Expenses in connection with services or other benefits which are not offered to City or for which City is charged directly but which are provided to another tenant or occupant of the Building;

8. Costs incurred by Landlord due to violation by Landlord or any other tenant or occupant of the Building of applicable laws, rules or regulations, the terms and conditions of any lease, ground lease, mortgage or deed of trust, or other covenants, conditions or restrictions encumbering the Building;

9. Overhead and profit increments paid to Landlord or to subsidiaries or affiliates of Landlord, or to any party as a result of a non-competitive selection process, for management, or other services, supplies or materials, to the extent the same exceed the costs of such goods and/or services rendered by unaffiliated third parties on a competitive, arms-length basis;

10. Any ground lease rental or rental under any other underlying leases;

11. Except as specifically permitted by items 1(i) and 1(ii) above, interest, principal, points and fees on debts or amortization on any mortgage, deed of trust or any other debt instrument encumbering any of the Building;

12. Any compensation paid to clerks, attendants or other persons in commercial concessions operated by Landlord or in the parking garage in the Building;

13. Except for making repairs or keeping permanent systems in operation while repairs are being made, rentals and other related expenses incurred in leasing air conditioning systems, elevators or other equipment ordinarily considered to be of a capital nature, excluding equipment not affixed to the Building which is used in providing janitorial or similar services;

14. All items and services for which City or any other tenant or occupant of the Building separately reimburses Landlord (other than through such tenant's or occupant's proportionate share of operating expenses), or which Landlord provides selectively to

one or more other tenants or occupants without reimbursement, or which are not provided in reasonable proportion to the space leased by City but which Landlord provides to another tenant or other occupant of the Building;

15. Advertising or promotional expenditures, and the costs of acquiring and installing signs in or on any of the Building identifying the owner of the Building or any other tenant or occupant of the Building;

16. Electric power costs for which any tenant or occupant directly contracts with the local public service company (provided that the charge for such services shall be computed for purposes of the gross-up provision of the Lease (i.e. expenses to be grossed up to reflect full occupancy of the Building) to reflect an average charge for power costs);

17. Services provided, taxes attributable to, and costs incurred in connection with the operation of retail, restaurant and garage operations in the Building;

18. Costs incurred in connection with upgrading the Building to comply with handicap, life, fire and safety codes in effect prior to the date of the Lease, and costs incurred in connection with upgrading the Building to comply with the Americans with Disabilities Act of 1990, the proposed San Francisco Sprinkler Ordinance and the San Francisco Unreinforced Masonry Building Ordinance;

19. Tax penalties incurred as a result of Landlord's negligence, inability or unwillingness to make payments when due;

20. Costs arising from the presence of Hazardous Material in or about the Building including, without limitation, groundwater or soil conditions, except if such Hazardous Material is brought on to the Building by City in violation of applicable laws;

21. Landlord's charitable or political contributions;

22. To the extent the following costs arise during any applicable warranty periods, costs as a result of repairs of latent defects in the Building core and shell or improvements installed by Landlord or in the Building Systems, and any costs incurred by Landlord in the event any portion of the Building is made untenable by fire or other casualty required to be insured against pursuant to the terms of the Lease;

23. Capital costs for sculpture, paintings or other objects of art;

24. Costs (including, without limitation, all attorneys' fees and costs of settlement, judgments and payments in lieu thereof)

arising from claims, disputes or potential disputes, other than tax disputes where the tenants of the Building would receive benefits if Landlord prevails) in connection with potential or actual claims, litigation or arbitrations pertaining to Landlord or the Building;

25. Landlord's general corporate overhead and general and administrative expenses not related to the operation or management of the Building; and

EXHIBIT D

Building Rules And Regulations

1. Sidewalks, halls, passages, exists, entrances, elevators, escalators, and stairways shall not be obstructed by Tenant or used by Tenant for any purpose other than for ingress and egress from the Premises. The halls, passages, exists, entrances, elevators and stairways are not for the use of the general public and Landlord shall in all cases retain the right to control and prevent access thereto by all person whose presence, in the judgment of Landlord, shall be prejudicial to the safety, character, reputation and interests of the Building and its tenants, provided that nothing herein contained shall be construed to prevent such access to persons with whom Tenant normally deals in the ordinary course of Tenant's business unless such persons are engaged in illegal activities. Tenant, and Tenant's employee or invitees, shall not go upon the roof of the Building, except as authorized by Landlord.

2. Except as otherwise provided in the Lease, no sign, placard, picture, name, advertisement or notice visible from the exterior of the Premises shall be inscribed, painted, affixed, installed or otherwise displayed by Tenant either on the Premises or any part of the Building without the prior written consent of Landlord, and Landlord shall have the right to remove any such sign, placard, picture, name, advertisement, or notice without notice to and at the expense of Tenant.

If Landlord shall have given such consent to Tenant at any time, whether before or after the execution of the Lease, such consent shall not in any way operate as a waiver or release of any of the provisions hereof or of the Lease, and shall be deemed to relate only to the particular sign, placard, picture, name, advertisement or notice so consented to by Landlord and shall not be construed as dispensing with the necessity of obtaining the specific written consent of Landlord with respect to any other such sign, placard, picture, name, advertisement or notice.

All approved signs or lettering on doors and walls shall be printed, painted, affixed or inscribed at the expense of Tenant by a person approved by Landlord.

3. The bulletin board of directory of the Building will be provided exclusively for the display of the name and location of tenant and tenants officers only and Landlord reserves the right to exclude any other names therefrom.

4. No curtains, draperies, blinds, shutters, shades, screens or other coverings, awnings, hangings or decorations

shall be attached to, hung or placed in, or used in connection with, any window, door or patio on the Premises without the prior written consent of Landlord. In any event with the prior written consent of Landlord, all such items shall be installed inboard of Landlord's window coverings and shall not in any way be visible from the exterior of the Building. No articles shall be placed or kept on the window sills so as to be visible from the exterior of the Building. No articles shall be placed against glass partitions or doors which might appear unsightly from outside the Building.

5. Landlord reserves the right to exclude from the Building between the hours of 6:00 p.m. and 8:00 a.m. and at all hours on Saturdays, Sundays, and holidays all person who do not present an access card to the Building. Landlord will furnish access cards to persons for whom Tenant requests the same in writing. Tenant shall be responsible for all persons for whom it requests access cards and shall be liable to Landlord for all acts of such persons.

Except as otherwise provided in the Lease, Landlord shall in no case be liable for damages for error with regard to the admission to or exclusion from the Building of any person.

During the continuance of any invasion, mob, riot, public excitement or other circumstance rendering such action advisable in Landlord's opinion, Landlord reserves the right to prevent access to the Building by closing the doors, or otherwise, for the safety of tenants and protection of the building and property in the Building.

6. Tenant shall not employ any person or persons other than the janitor of Landlord for the purpose of cleaning the Premises unless otherwise agreed to by Landlord in writing. Except with the written consent of Landlord no person or persons other than those approved by Landlord shall be permitted to enter the Building for the purpose of cleaning the same. Tenant shall not cause any unnecessary labor by reason of Tenant's carelessness or indifference in the preservation of good order and cleanliness of the Premises.

7. Tenant shall not obtain for use upon the Premises ice, drinking water, food, beverage, towel or other similar services except through facilities approved in writing by Landlord and under regulations fixed by Landlord, or accept barbering or bootblacking services in the Premises except from personnel authorized by Landlord. Notwithstanding the foregoing, Tenant shall have the right to utilize in a customary manner the lunch room set forth in the plans approved by Landlord.

8. Tenant shall see that the doors of the Premises are closed and securely locked and must observe strict care and caution that all water faucets or water apparatus are entirely shut off before Tenant or its employees leave such premises, and that all utilities shall likewise be carefully shut off, so as to prevent waste or damage, and for any default or carelessness the Tenant shall make good all injuries sustained by other tenants or occupants of the Building or Landlord. On multiple-tenancy floors, all tenants shall keep the door or doors to the building corridors closed at all times except for ingress and egress.

9. As more specifically provided in the Lease, Tenant shall not waste electricity, water or air-conditioning and agrees to cooperate fully with Landlord to assure the most effective operation of the Building's heating and air-conditioning, and shall refrain from attempting to adjust any controls other than room thermostats installed for Tenant's use.

10. Tenant shall keep and cause to be kept closed all window coverings when necessary because of the sun's position.

11. Tenant shall not alter any lock or access device or install a new or additional lock or access device or any bolt on any door of the premises without the prior written consent of Landlord. If Landlord shall give its consent, Tenant shall in each case furnish Landlord with a key for any such lock.

12. Tenant shall not make or have made additional copies of any keys or access devices provided by Landlord. Tenant, upon termination of the tenancy, shall deliver to Landlord all the keys or access devices for the Building, offices, rooms and toilet rooms which shall have been furnished to Tenant or which Tenant shall have had made. In the event of the loss of any keys or access devices so furnished by Landlord, Tenant shall pay Landlord therefor.

13. The toilet rooms, toilets, urinals, wash bowls and other apparatus shall not be used for any purpose other than that for which they were constructed and no foreign substance of any kind whatsoever shall be thrown therein, and the expense of any breakage, stoppage or damage resulting from the violation of this rule by Tenant or Tenant's employees or invitees shall be borne by Tenant.

14. Tenant shall not use or keep in the Premises or Building any kerosene, gasoline or inflammable or combustible fluid or material other than limited quantities necessary for the operation or maintenance of office or office equipment. Tenant shall not use any method of heating or air-conditioning other than that supplied by Landlord.

15. Tenant shall not use, keep or permit to be used or kept in the Premises any foul or noxious gas or substance or permit of suffer the Premises to be occupied or used in a manner offensive or objectionable to Landlord or other occupants of the Building by reason or noise, odors and/or vibrations or interfere in any way with other tenants or those having business therein, nor shall any animals or birds be brought or kept in or about the premises or the Building.

16. No cooking shall be done or permitted by Tenant on the Premises (except that use by the Tenant of a microwave oven and other Underwriter's Laboratory approved equipment or the preparation of coffee, tea, hot chocolate and similar beverages for Tenant and its employees shall be permitted, provided that such equipment and use are in accordance with all applicable Federal, state, and city laws, codes, ordinances, rules and regulations), nor shall premises be used for lodging.

17. Except with the prior written consent of Landlord, Tenant shall not sell, or permit the sale, at retail, or newspapers, magazines, periodicals, theatre tickets or any other goods or merchandise in or on the Premises, nor shall Tenant carry on, or permit or allow any employee or other person to carry in, the business of the stenography, typewriting or any similar business in or from the Premises for the service or accomodation of occupants of any other portion of the Building, nor shall the Premises be used for the storage of merchandise or for manufacturing of any kind, or the business of a public barber shop or beauty parlor, nor shall the Premises be used for any improper, immoral or objectionable purpose, or any business or activity other than that specifically provided for in Tenant's Lease.

18. If Tenant requires telegraphic, telephonic, burglar alarm or similar services, it shall first obtain and comply with Landlord's instructions in their installation.

19. Landlord will direct electricians as to where and how telephone, telegraph and electrical wires are to be introduced or installed. No boring or cutting for wires will be allowed without the prior written consent of Landlord. The location of burglar alarms, telephone, call boxes and other office equipment affixed to the Premises shall be subject to the written approval of Landlord.

20. Tenant shall not install any radio or television antenna, loudspeaker or any other device on the exterior walls or the roof of the Building. Tenant shall not interfere with radio or television broadcasting or reception from or in the Building or elsewhere.

21. Tenant shall not lay linoleum, tile, carpet or any other floor covering so that the same shall be affixed to the floor of the Premises in any manner except as approved in writing by Landlord. The expense of repairing any damage resulting from a violation of this rule by Tenant or Tenant's contractors, employees, or invitees or the removal of any floor covering shall be borne by Tenant.

22. The freight elevator shall be available for use by all tenants in the Building, subject to such reasonable scheduling as Landlord in its discretion shall deem appropriate. Nor furniture, freight, equipment, materials, supplies, packages, merchandise or other property will be received in the Building or carried up or down the elevators between such hours and in such elevators as shall be designated by Landlord.

Landlord shall have the right to prescribe the weight, size and position all safes, furniture or other heavy equipment brought into the Building. Safes or other heavy objects shall, if considered necessary by Landlord, stand on wood strips of such thickness as determined by Landlord to be necessary to properly distribute the weight thereof. Landlord will not be responsible for loss of or damage to any such safe, equipment or property from any cause, and all damage done to the Building by moving or maintaining any such safe, equipment or other property shall be repaired at the expense of Tenant.

Business machines and mechanical equipment belonging to Tenant which cause noise or vibration that may be transmitted to the structure of the Building or to any space therein to such a degree as to be objectionable to Landlord or to any tenants in the Building shall be placed and maintained by Tenant, at Tenant's expense, on vibration eliminators or other devices sufficient to eliminate noise or vibration. The persons employed to move such equipment in or out of the Building must be acceptable to Landlord.

23. Tenant shall not place a load upon any floor of the Premises which exceeds the load per square foot which such floor was designed to carry and which is allowed by law. Tenant shall repair any major damage to the Premises caused by the installation, use or removal of Tenant's fixtures or personal property.

24. Tenant shall not install, maintain or operate upon the Premises any vending machine without the written consent of Landlord.

25. There shall be used in any space, or in the public areas of the Building, either by Tenant or others, any hand trucks except those equipped with rubber tires and side guards or

such other material-handling equipment as Landlord may approve. No other vehicles of any kind shall be brought by Tenant into or kept in or about the Premises. This includes bicycles, motor scooters, motorcycles, etc.

26. Tenant shall store all trash and garbage within the interior of the Premises. No material shall be placed in the trash boxes or receptacles if such material is of such nature that it may not be disposed of in the ordinary and customary manner of removing and disposing of trash and garbage in the City and County of San Francisco, California without violation of any law or ordinance governing such disposal. All trash, garbage and refuse disposal shall be made only through entry ways and elevators provided for such purposes and at such times as Landlord shall designate.

27. Canvassing, soliciting, distribution of handbills or any other written material, and peddling in the Building are prohibited and Tenant shall cooperate to prevent the same. Tenant shall not make room-to-room solicitation of business from other tenants in the Building.

28. Landlord shall have the right, exercisable without notice and without liability to Tenant, to change the name and address of the Building; provided, however, that Landlord may not change the 621 Mission Street address without the prior consent of Tenant.

29. Landlord reserves the right to exclude or expel from the Building any person who, in Landlord's judgment, is intoxicated or under the influence of liquor or drugs or who is in violation of any of the rules and regulations of the Building. Except in emergency circumstances, Landlord shall give Tenant notice of violation of the rules and regulations before excluding or expelling any person from the Building as a result thereof.

30. Without the prior written consent of Landlord, Tenant shall not use the name of the Building in connection with or in promoting or advertising the business of Tenant except as Tenant's address.

31. Tenant shall comply with all safety, fire protection and evacuation procedures and regulations established by Landlord or any governmental agency.

32. Except as otherwise provided in the Lease, Tenant assumes any and all responsibility for protecting the Premises from theft, robbery and pilferage, which includes keeping doors locked and other means of entry to the Premises closed.

33. The requirements of Tenant will be attended to only upon application at the office of the Building by an authorized individual. Employees of Landlord shall not perform any work or do anything outside of their regular duties unless under special instructions from Landlord, and no employees will admit any person (Tenant or otherwise) to any office without specific instructions from Landlord.

34. Landlord may waive any one or more of these Rules and Regulations, but no such waiver by Landlord shall prevent Landlord from thereafter enforcing any such Rules and Regulations against all tenants of the Building.

35. Subject to the terms of the Lease, Landlord reserves the right to make such other reasonable rules and regulations as in its judgment may from time to time be needed for safety and security, for care and cleanliness of the Building and for the preservation of good order therein. Tenant agrees to abide by all such Rules and Regulations herein above stated and any additional rules and regulations which are adopted.

36. Tenant shall be responsible for the observance of all of the foregoing Rules and Regulations by Tenants' employees, agents, clients, customers, invitees and guests.

37. Unless otherwise defined, terms used in these Rules and Regulations shall have the same meaning as in the Lease.

38. No animals are allowed on the Premises with the exception of guide dogs.

39. No bicycles, mopeds or motorcycles are allowed inside the Building.

EXHIBIT E

JANITORIAL SPECIFICATIONS

Landlord, at its cost, shall furnish all equipment, supplies, personnel to provide the following janitorial services in first class manner, to the Premises and Common Areas:

1. OFFICE AREA

A. Nightly Services (Monday through Friday)

1. Gather and remove waste paper.
2. Sweep and wet mop composition tile floors.
3. Thoroughly vacuum clean all carpeted areas.
4. Dust desks, chairs and all office furniture.
5. Dust all horizontal surfaces within reach.
6. Remove coffee stains and spill-marks from desks.
7. Dust or damp-wipe telephones.
8. Reposition chairs, waste baskets, etc.
9. Remove fingermarks from doors and partition glass.
10. Clean and sanitize drinking fountains, sinks, basins and private toilet facilities.
11. Spot mop coffee stains on floors.
12. Turn off designated lights.
13. Close drapes as directed.
14. Secure doors as directed.
15. Supply and replace wastebasket liners as needed.
16. Clean and wipe outside of refrigerator and other appliances.

B. Weekly Services

1. Remove fingerprints and smudges from walls and partitions.
2. Clean and/or polish door kick plates and push plates.
3. Buff traffic-ways on composition floors.
4. Spot clean chair pads in carpeted areas.
5. Remove carpet stains which yield to mild solutions.

C. Monthly Services

1. Dust and/or vacuum wall surfaces.
2. Clean and polish baseboards.

D. Every Sixty (60) Day Service

1. Dust high partitions, ledges and wall mounted objects.
2. Dust or vacuum air grills.
3. Clean aluminum trim.
4. Clean obscure glass partitions.
5. Strip and re wax composition floors.

E. Every Ninety (90) Day Service

1. Vacuum clean draperies.

2. RESTROOMS

A. Nightly Services (Monday through Friday)

1. Remove waste from receptacles.
2. Clean and sanitize toilets, seats, urinals, and basins.
3. Wet mop floors.
4. Fill dispensers from stock.
5. Clean mirrors and frames.
6. Polish metal fixtures.
7. Dust ledges and partitions.
8. Report to Building Manager any malfunctioning of toilets, urinals, faucets or dispensers.

B. Weekly Services

1. Spot-wash walls, partitions and doors.
2. Flush floor drains with germicidal solutions.

C. Monthly Services

1. Dust or vacuum air vents.
2. Dust ceilings.
3. Wash out towel disposal containers.

D. Once Every Sixty (60) Days Service

1. Machine scrub floors.

3. LOBBIES, STAIRWAYS AND ELEVATORS

A. Nightly Services (Monday through Friday)

1. Vacuum clean all carpeted lobbies.-
2. Spot clean carpet stains which yield to mild solutions.
3. Spot-wash walls and door
4. Vacuum clean elevator floors.
5. Polish elevator metalwork.
6. Clean and sanitize and polish drinking fountains.
7. Dust lobby furniture.
8. Spot-clean entrance glass doors.
9. Clean and/or polish lobby entrance door bases.
10. Sweep stairways as needed.
11. Damp mop public area floors.

B. Weekly Services

1. Machine buff public area floors.
2. Clean lobby statuary.
3. Dust high walls.
4. Clean lobby mirrors.
5. Vacuum clean elevator ceilings.
6. Vacuum clean and/or mop metal stairways and landings.
7. Scrub and/or wash sidewalk.
8. Clean basement common areas.

C. Monthly Services

1. Dust and/or damp wipe walls.

4. CARPET MAINTENANCE OF ALL AREAS

A. Nightly Services (Monday through Friday)

1. Spot clean coffee, ink and minor stains.
2. Report large or difficult stains to Building Manager

6. DAY SERVICE (MONDAY - FRIDAY)

One Day Janitor/Maintenance Person will be on duty from 6 a.m. to 3 p.m..(one hour allowed for lunch). Such person will wear a uniform and be clean and neat in appearance.

A. Day Person(Janitor/Maintenance Person)

1. Police and/or vacuum sidewalks and building entranceways several times daily as needed.
2. Dust mop main floor lobby three times daily, or more often if needed.
3. Clean entrance doors daily.
4. Dust lobby furniture.
5. Clean ashtrays and sand urns in public areas.
6. Vacuum elevator carpets during traffic lulls.
7. Remove fingerprints and smudges from public area walls and doors.
8. Vacuum elevator foyers as needed.
9. Inspect and clean three times daily restrooms and install supplies from stock.
10. Perform any and all janitorial services as directed.
11. Note and report to the Chief Engineer's office any damage or malfunctioning equipment.
12. Water, fertilize and police trees.
13. Replace light bulbs and tubes.
14. Replace ballasts and fix switches, plugs.
15. Fix faucets, drains, toilets and urinal valves.
16. Clean exhaust and diffusers.
17. Clean drinking fountains.
18. Operate and supervise scavenger service in connection with the compacted trash.
19. Building owner shall supply all fuses, switches, ballasts, light tubes, locks, urinal valves.

EXHIBIT F

STANDARDS FOR SECURITY SERVICE

Landlord shall furnish security services as follows:

SECURITY GUARDS:

1 Security guard at the New Montgomery Street entrance from 7:00 a.m. to 6:00 p.m., Monday through Friday (except holidays)

OTHER SECURITY SERVICES:

"Sonitrol" or equivalent system reasonably acceptable to City shall be installed for after-hours security.

Landlord shall also install and maintain as an operating expense the Honeywell card access and closed circuit television system as described in the Honeywell Schedule of Services and Protection dated November 23, 1994 or equivalent system reasonably acceptable to City. Landlord shall provide up to 165 access cards to the City.

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1 [Lease of Property]

2 AUTHORIZING LEASE OF REAL PROPERTY AT 621 MISSION STREET/109 NEW
3 MONTGOMERY ST. FOR THE DISTRICT ATTORNEY FAMILY SUPPORT BUREAU .

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6 **RESOLVED**, In accordance with the recommendations of the District Attorney and the Director
7 of Property, that the Mayor and the Clerk of the Board of Supervisors are hereby authorized to execute,
8 on behalf of the City and County of San Francisco, as Tenant, a written lease with The Edward J.
9 Conner and Douglas C. Moore, Trustee under the Conner Children Trust No. 2, as Landlord, for a
10 portion of the building located at 621 Mission St. and also known as 109 New Montgomery St., San
11 Francisco, California, for the District Attorney Family Support Bureau. The lease premises consists
12 of a portion of the ground floor, the entire second, third and fourth floors and comprise approximately
13 33,998 rentable square feet plus basement storage space.

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15 The lease shall commence upon substantial completion of tenant improvements (expected to be
16 March 1, 1995) and shall end August 30, 2002 at a monthly base rent of \$42,497.50 per month. The
17 monthly base rent shall be abated for the first four (4) months of the term. City shall have one 5 year
18 option to renew the term. Landlord shall be responsible for taxes, insurance, water, janitorial and other
19 services. City shall pay electricity costs and its prorata share of any increase in operating expenses
20 during the lease term over a 1995 base year. Landlord is providing standard office tenant
21 improvements. City is providing for normal moving expenses and specialty tenant improvements in
22 an amount not to exceed the approved fiscal year 1994-1995 relocation budget of \$717,150. City shall

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remain as tenant for the entire lease term unless funds for DAFSB's rental payments for the lease are
not appropriated in any subsequent fiscal year, at which time City may terminate this lease with ninety
(90) days prior written notice to Landlord.
City shall, at its sole cost and expense, indemnify, defend and hold harmless ("Indemnify")
Landlord and its Agents from and against any and all claims, costs and expenses, including, without
limitation, reasonable attorneys' fees, (collectively, "Claims"), incurred as a result of (a) City's use and
occupancy of the Premises, (b) any default by City in the performance of any of its obligations under
this Lease, or (c) any negligent or willful acts or omissions of City, its Agents or invitees, in, on or
about the Premises or the Property; provided, however, City shall not be obligated to indemnify
Landlord or its Agents to the extent any Claim arises out of the active negligence or willful misconduct
of Landlord or its Agents. In any action or proceeding brought against Landlord or its Agents by reason
of any claim indemnified by City hereunder, City may, at its sole option, elect to defend such Claim
by Attorneys in City's Office of the City Attorney, by other attorneys selected by City, or by both. City
shall have the right to control the defense and to determine the settlement or compromise of any action
or proceeding, provided, that Landlord shall have the right, but not the obligation, to participate in the
defense or any such Claim at its sole cost and provided further that no such settlement shall obligate
Landlord in any manner without the prior written approval of Landlord. City hereby assumes all risk
and waives all claims against Landlord for any damage to property or any injury to or death of any
person in or about the Premises or the Building arising from any cause whatsoever except to the extent

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FIRST AMENDMENT TO LEASE

109 NEW MONTGOMERY STREET

This First Amendment to Lease (this "**Amendment**"), dated as of October 27, 2010 for reference purposes (the "**Amendment Reference Date**"), is made by and between the EDWARD J. CONNER AND DOUGLAS G. MOORE, Co-Trustees Under the Conner Children Trust No. 2 (collectively, "**Landlord**"), and the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation ("**City**").

RECITALS

A. Landlord and City are parties to that certain Office Lease dated as of December 19, 1994 and extended pursuant to letters dated as of April 30, 2007 and February 11, 2002 (collectively, the "**Lease**"), pursuant to which Landlord leased to City the premises described in the Lease, and more commonly known as a portion of 109 New Montgomery Street, San Francisco and also known as 617 Mission Street. The leased Premises consists of approximately 33,998 rentable square feet. The Lease term, as extended, expires on July 31, 2012.

B. Landlord and City desire to make certain modifications amending the Lease as hereinafter set forth.

AGREEMENT

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Effective Date. This Amendment shall become effective on, and the Lease shall be amended as of, the date (the "**First Amendment Effective Date**") that is the later of

- (a) The date Landlord and City have executed and exchanged this Amendment and
- (b) The date City's Mayor and Board of Supervisors enact a resolution approving this Amendment at their respective sole and absolute discretion in accordance with City's Charter and any other applicable laws (the "**Board of Supervisors Approval**").

In the event that the Board of Supervisors Approval has not occurred by December 31, 2010, Landlord shall have the right to terminate this Amendment. In the event that Landlord exercises such right, the parties shall have no rights or obligations under this Amendment.

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

3. Amendment of Section 1: Basic Lease Information. Section 1 of the Lease entitled "Basic Lease Information" is amended as follows:

(a) The subparagraph entitled "Term (Article 3)" is amended by deleting the date "August 31 2002" that follows the words " Expiration Date" and replacing the deleted language with:

December 31, 2014:

(b) The subparagraph entitled "Base Rent (Section 4.1)" is amended to add the following language to the end of the existing language:

Commencing on the First Amendment Effective Date, the Annual Base Rent for the Premises shall be \$905,319.60 per year (\$26.63 per square foot) and the Monthly Base Rent payment shall be \$75,443.30 per month (\$2.22 per square foot).

(c) The subparagraph entitled "Notice Address for Tenant (Section 23.1)" is amended as follows:

(i) Delete the phrase "Attn: Anthony J. Delucci" and replace the deleted language with the following:

Attn: Amy L. Brown, Director

and

(ii) Delete the addressee immediately following the words "with a copy to" and replace the deleted language with the following addressee:

*Department of Child Support Services
Attn. Director
617 Mission Street, 2nd floor
San Francisco, CA 94105
Fax No.: (415) 356-2789*

and

(iii) Delete the addressee immediately following the words "and to" and replace the deleted language with the following addressee:

*Office of the City Attorney
City Hall, Room 234
Attn: Richard Handel, Deputy City Attorney
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102
Fax No.: (415) 554-4755*

(d) The subparagraph entitled "Key Contact for Tenant" is amended to read:

Karen Roye, Director

(e) The subparagraph entitled "Telephone No." that immediately follows the subparagraph entitled "Key Contact for Tenant" is amended to read:

(415) 356-2919

4. Amendment of Section 2.1: Leased Premises. Section 2.1 is amended by adding the following language to the end of the Section:

Provided that City is not then in default hereunder beyond any applicable cure period, City may reduce the scope of the Premises effective July 31, 2012 or afterwards by terminating this Lease with respect to the fourth floor portion of the Premises consisting of 9,593 square feet without cost or penalty. City may exercise such termination right by giving Landlord written notice at least two hundred ten (210) days prior to the effective date of such termination. Upon the effective date of such termination, City's obligations to pay Base Rent, City's Percentage Share, and Additional Charges shall be proportionately reduced.

5. Clarifying Amendment of Section 3.1: Term of Lease. Section 3.1 is amended by adding the following language to the end of the Section:

The initial Extended Term provided for by the First Amendment that will commence on /the First Amendment Effective Date and expire on December 31, 2014 (the "First Amendment Extended Term") may be further extended as provided in Section 3.4.

6. Clarifying Amendment of Section 3.4: Extension Option. Section 3.4 is amended by adding the following language to the end of the Section:

City shall have one (1) further right to extend the term of the Lease beyond the First Amendment Extended Term for a period of five (5) years commencing on January 1, 2015 and expiring on December 31 2019 (the "First Amendment Second Extended Term") pursuant to the terms and conditions of Section 3.4, except that the sixty (60)-day period provided for in Section 3.4 for the enactment of a resolution by the Board of Supervisors and the Mayor shall begin upon the date the Base Rent for the First Amendment Second Extended Term is determined pursuant to the procedures stated in Section 4.3.

7. Amendment of Section 4.3 – Base Rent during First Amendment Second Extended Term. Section 4.3, Base Rent during Extended Term shall be deleted in its entirety and replaced with the following:

At the commencement of the First Amendment Second Extended Term, the Base Rent shall be adjusted to equal ninety five (95%) of the prevailing market rate for space of comparable size and location to the Premises then being offered for rent in other buildings similar in age, location, and quality to the Premises situated within the Central business District of San Francisco ("Reference Area"); provided, however, in no event shall the Base Rent be reduced below the Base Rent for the lease year prior to the commencement of such Extended Term. As used herein, the term "prevailing market rate" shall mean the base rental for such comparable space, taking into account all factors to make such spaces comparable to the Leased Premises, including but not limited to (i) any additional rental and all other payments and escalations payable hereunder, (ii) floor location and size of the premises covered by

leases of such comparable space, (iii) the duration of the renewal term and the term of such comparable leases, (iv) free rent given under such comparable leases and any other tenant concessions, and (v) building standard tenant improvement allowances and other allowances given under such comparable leases.

Within thirty (30) days following City's exercise of the extension option for the First Amendment Second Extended Term, Landlord shall notify City of Landlord's determination of the prevailing market rate for the Premises along with comparable lease transactions used to make such Landlord's determination. If City disputes Landlord's determination of the prevailing market rate, City shall so notify Landlord within fourteen (14) days following Landlord's notice to City of the prevailing market rate and such dispute shall be resolved as follows:

(a) Within thirty (30) days following Landlord's notice to City of the prevailing market rate, Landlord and City shall attempt in good faith to meet no less than two (2) times, at a mutually agreeable time and place, to attempt to resolve any such disagreement.

(b) If within this thirty (30)-day period Landlord and City cannot reach agreement as to the prevailing market rate, they shall each select one commercial real estate agent to determine the prevailing market rate. Each such agent shall arrive at a determination of the prevailing market rate and submit his or her conclusions to Landlord and City within thirty (30) days of the expiration of the thirty (30) day consultation period described in (a) above.

(c) If only one appraisal is submitted within the requisite time period, it shall be deemed to be the prevailing market rate. If both appraisals are submitted within such time period, and if the two appraisals so submitted differ by less than ten percent (10%) of the higher of the two, then the average of the two shall be the prevailing market rate. If the two appraisals differ by more than ten percent (10%) of the higher of the two, then the two agents shall immediately select a third agent who will within thirty (30) days of his or her selection shall select one or the other determination as the prevailing market rate and submit such determination to Landlord and City. This selection shall be the prevailing market rate.

(d) If the two agents fail to appoint a third, within ten (10) days after demand by either party, the necessary agent shall be appointed by the San Francisco Superior Court or, in its failure or refusal to act, the then Dean of the Graduate School of Business of the University of California at Berkeley.

(e) All agents specified above shall have not less than five (5) years' experience leasing commercial properties similar to the Premises in the central business district area of San Francisco. Landlord and City shall pay the cost of the agent selected by such party. If a third agent is required, the party whose determination was not selected shall pay the cost of the third agent.

8. Addition of Section 23.30: Sunshine Ordinance. The Lease is further amended by adding the following language as (new) Section 23.30:

23.30 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 upon request.

9. Addition of Section 23.31: Resource-Efficient City Buildings and Pilot Projects. The Lease is further amended by adding the following language as (new) Section 23.31:

23.31 Resource-Efficient City Buildings and Pilot Projects. Landlord acknowledges that the City and County of San Francisco has enacted San Francisco Environment Code Sections 700 to 707 relating to resource-efficient City buildings and resource-efficient pilot projects. Landlord hereby agrees that it shall comply with all applicable provisions of such code sections while this Lease is in effect. Tenant is accepting the Premises and the Building in their "as is" condition. In the event that Landlord is required to perform work or services to comply with such Environment Code sections, Landlord shall perform the same and City shall promptly reimburse Landlord for the reasonable and actual costs incurred by Landlord.

10. Addition of Section 23.32: Conflicts of Interest. The Lease is further amended by adding the following language as (new) Section 23.32:

23.32 Conflicts of Interest. Through its execution of this Lease, Landlord acknowledges that it is familiar with the provisions of Section 15.103 of the San Francisco Charter, Article III, Chapter 2 of 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 would constitute a violation of said provisions, and agrees that if Landlord becomes aware of any such fact during the Term, Landlord shall immediately notify City.

11. Addition of Section 23.33: Notifications of Limitations on Contributions. The Lease is further amended by adding the following language as (new) Section 23.33:

23.33 Notifications of Limitations on Contributions. Through its execution of this Lease, Landlord acknowledges that it is familiar with Section 1.126 of the San Francisco Campaign and Governmental Conduct Code, which prohibits any person who contracts with City for the selling or leasing of any land or building to or from City whenever such transaction would require approval by a City elective officer or the board on which that City elective officer serves, from making any campaign contribution to the officer at any time from the commencement of negotiations for such contract until the termination of negotiations for such contract or three (3) months has elapsed from the date the contract is approved by the City elective officer, or the board on which that City elective officer serves.

12. Addition of Section 23.34: Preservative-Treated Wood Containing Arsenic. The Lease is further amended by adding the following language as (new) Section 23.34:

23.34 Preservative-Treated Wood Containing Arsenic. As of July 1, 2003, Landlord 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 under Section 1304 of the Environment 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, ammoniac copper zinc arsenate preservative, or ammoniacal copper arsenate preservative. Landlord may purchase preservative-treated wood products on the list of environmentally preferable alternatives prepared and adopted by the Department of Environment. This provision does not preclude Landlord 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.

13 Miscellaneous.

13.1 Reference. No reference to this Amendment is necessary in any instrument or document at any time referring to the Lease. Any future reference to the Lease shall be deemed a reference to such document as amended by this Amendment.

13.2 No Other Amendment. Except as expressly amended as provided herein, the Lease shall continue unmodified and remain in full force and effect. The Lease as amended by this Amendment constitutes the entire agreement between Landlord and City and may not be modified except by an instrument in writing signed by the party to be charged. In the event of any conflict between the terms of the Lease and the terms of this Amendment, the terms of this Amendment shall control.

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

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

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

SECOND AMENDMENT TO LEASE

THIS SECOND AMENDMENT TO LEASE ("Second Amendment") dated as of June 25, 2018, is made by and between MacLean Properties LLC and Douglas G. Moore, Trustee of the Conner Children Trust No. 2 (collectively, "Landlord") and the City and County of San Francisco, a municipal corporation ("City").

RECITALS:

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

A. Landlord (as successors in interest to Edward J. Conner and Douglas C. Moore as Co Trustees under the Conner Children Trust No. 2 as Landlord) and City are parties to that certain Office Lease dated December 19, 1994 as amended by the First Amendment to Lease dated October 27, 2010 (the "First Amendment") and extended by letter dated March 4, 2014 (collectively, the "Lease"). The City's Department of Child Support Services is the successor department to the City's District Attorney's Family Support Bureau.

B. Under the Lease, Landlord leased to City certain "Premises", as described in the Lease consisting of 33,998 sq ft, at 617 Mission Street/109 New Montgomery Street, San Francisco, California.

C. The Term of the Lease is scheduled to expire on December 31, 2019. The Lease provides City with one further option to extend the term.

D. Landlord and City desire to extend the Term of the Lease with respect to the Premises, and amend the Lease upon the terms and conditions as hereinafter provided.

AGREEMENT:

NOW, THEREFORE, in consideration of the foregoing Recitals and the mutual covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows (capitalized terms used herein but not herein defined shall have the meaning ascribed to them in the Lease):

1. Extension of the Term. Landlord and City hereby agree to extend the Term for an additional five (5) years beyond the current Lease expiration so that the Expiration Date shall be December 31, 2024, unless sooner terminated or extended pursuant to the terms of the Lease. From and after the date hereof, all references in the Lease and this Amendment to the "Term" or "term" shall refer to the Term as extended by this Second Amendment.

2. Rent. Commencing on July 1, 2018, and continuing until the expiration or sooner termination of the Term, City shall pay \$158,657.33 monthly Base Rent for the Premises.

3. Base Year. Commencing on July 1, 2018, the Base Year for Additional Charges (Property Taxes and Operating Costs) pursuant to Section 4 of the Lease shall be Calendar Year 2017.

4. Options to Further Extend the Term.

City shall have the right to extend the Term (each, an "Extension Option") for two (2) additional terms of five (5) years each (each, an "Extension Term"). The Extension Options shall be on all of the terms and conditions contained in the Lease except that the Base Rent shall be adjusted as provided

below. City may exercise each of the Extension Options, if at all, by giving written notice to Landlord no later than 365 days prior to the expiration of the term to be extended provided, however, if City is in material default under the Lease on the date of giving such notice and fails to cure such default as provided in the Lease, Landlord may reject such exercise by delivering written notice thereof to City promptly after expiration of the applicable cure period. The second Extension Option shall be exercisable only if the first Extension Option was exercised. The Extension Options are personal to the City and cannot be exercised by any other person or entity other than the City while it is in full and actual possession of the Premises and without the intention of thereafter assigning or subletting. The Extension Options are not assignable, either as a part of an assignment of this lease or separate therefrom. Landlord acknowledges and agrees that City's notice of its intent to exercise each Extension Option shall be subject to enactment of a resolution by the Board of Supervisors and the Mayor, in their respective sole and absolute discretion, approving and authorizing the same, within ninety (90) days after the date the Base Rent for the Extension Term is determined. If such approval and authorization is not received by Landlord within such ninety (90) day period, at Landlord's option, the Extension Option shall terminate and City shall have no further option to extend the Term.

The Base Rent during each Extension Term shall be adjusted at the start of the applicable Extension Term to ninety five percent (95%) of the then-prevailing market rate, which shall be determined as provided in Section 7 of the First Amendment. Notwithstanding the foregoing, any reference to a commercial real estate agent or agent in Section 7 of the First Amendment is hereby changed to an appraiser who shall be an "MAI" designated appraiser with at least five (5) years' experience appraising commercial office properties in San Francisco. All appraisals hereunder shall be in conformity with the Uniform Standards of Professional Appraisal Practice, Code of Professional Ethics and the Standards of Professional Appraisal Practice of the MAI.

5. General Provisions. Section 23 (General Provisions) is hereby amended and restated to read in its entirety, except as otherwise provided below,, as Exhibit A to Second Amendment:

6. No Further Modification. Except as set forth in this Second Amendment, all of the terms, covenants and conditions of the Lease shall remain unmodified and in full force and effect. The Lease as amended by this Second Amendment constitutes the entire agreement of the parties concerning the subject matter hereof, and supersedes and conceals any and all previous negotiations, agreements, or understandings, if any, regarding the matters contained herein. The execution of this Second Amendment shall not constitute a waiver of relinquishment of any rights that either party may have relating to the Lease as amended by this Second Amendment. Landlord and City hereby ratify and confirm all of the provisions of the Lease as amended by this Second Amendment.

7. ADA Disclosure. In accordance with California Civil Code Section 1938, Landlord hereby notifies Tenant that the Building has not undergone inspection by a Certified Access Specialist. A Certified Access Specialist (CASp) can inspect the subject premises and determine whether the subject premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the subject premises, the commercial property owner or lessor may not prohibit the lessee or tenant from obtaining a CASp inspection of the subject premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the premises. The foregoing statements are included in this Lease solely for the purpose of complying with California Civil Code Section 1938 and shall not in any manner affect Landlord's and Tenant's respective responsibilities for compliance with construction-related accessibility standards as provided in this Lease.

8. Effective Date. The date on which this Second Amendment shall become effective is the date upon which (a) City's Mayor and Board of Supervisors, in their sole and absolute discretion, adopt a resolution approving this Second Amendment in accordance with all applicable laws, and (b) this Second

Amendment is duly executed and exchanged by the parties hereto. In the event that the Board of Supervisors approval has not occurred by October 5, 2018, Landlord shall have the right to terminate this Second Amendment. In the event the Landlord exercises such right, the parties shall have no rights or obligations under this Second Amendment. In the event that the Board of Supervisors approval occurs after July 1, 2018, the increase in Base Rent payable pursuant to this Second Amendment shall nonetheless commence as of July 1, 2018 and City shall pay the difference between such Base Rent and the Base Rent paid by City prior to such approval with the next payment of Base Rent owing after such approval.

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

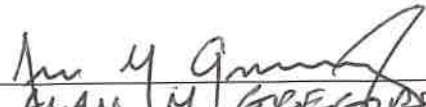
NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS SECOND AMENDMENT, LANDLORD ACKNOWLEDGES AND AGREES THAT NO OFFICER OR EMPLOYEE OF CITY HAS AUTHORITY TO COMMIT CITY HERETO UNLESS AND UNTIL CITY'S BOARD OF SUPERVISORS SHALL HAVE DULY ADOPTED A RESOLUTION APPROVING THIS SECOND AMENDMENT AND AUTHORIZING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

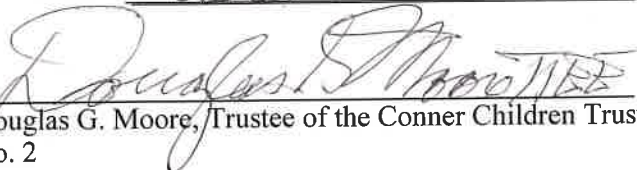
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IN WITNESS WHEREOF, the parties hereto have executed this Second Amendment as of the day and year first above written.

"LANDLORD"

MacLean Properties LLC

By: 
Name: ALAN M. GREGORY
Title: Owner



Douglas G. Moore, Trustee of the Conner Children Trust
No. 2

"CITY"

CITY AND COUNTY OF SAN FRANCISCO,
a municipal corporation

By: 
Anchorage Q. Power Acting JOHN UPDIKE 7/10/18
Director of Property

Recommended:


Department of Child Support Services
Director

APPROVED AS TO FORM:

DENNIS J. HERRERA
City Attorney


By: 
Charles Sullivan
Deputy City Attorney

Exhibit A to Second Amendment

23. GENERAL PROVISIONS

23.1 Notices

Except as otherwise specifically provided in this Lease, any notice given under this Lease shall be in writing and given by delivering the notice in person or by commercial courier, or by sending it by first-class mail, certified mail, return receipt requested, or Express Mail, return receipt requested, with postage prepaid, to: (a) City at Tenant's address set forth in the Basic Lease Information; or (b) Landlord at Landlord's address set forth in the Basic Lease Information; or (c) such other address as either Landlord or City may designate as its new address for such purpose by notice given to the other in accordance with this Section. Any notice hereunder shall be deemed to have been given and received two (2) days after the date when it is mailed if sent by first-class, certified mail, one day after the date when it is mailed if sent by Express Mail, or upon the date personal delivery is made. For convenience of the parties, copies of notices may also be given by telefacsimile to the telefacsimile number set forth in the Basic Lease Information or such other number as may be provided from time to time; however, neither party may give official or binding notice by facsimile.

23.2 No Implied Waiver

No failure by either party to insist upon the strict performance of any obligation of the other party under this Lease or to exercise any right, power or remedy consequent upon a breach thereof shall constitute a waiver of any such breach or of such term, covenant or condition. No acceptance of full or partial Rent by Landlord while City is in default hereunder shall constitute a waiver of such default by Landlord. No express written waiver of any default or the performance of any provision hereof shall affect any other default or performance, or cover any other period of time, other than the default, performance or period of time specified in such express waiver. One or more written waivers of a default or the performance of any provision hereof shall not be deemed to be a waiver of a subsequent default or performance. The consent of Landlord or City given in one instance under the terms of this Lease shall not relieve the other party of any obligation to secure the consent to any other or future instance under the terms of the Lease.

23.3 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 shall affect or alter this Lease, but each and every term, covenant and condition of this Lease shall continue in full force and effect with respect to any other then-existing or subsequent breach thereof. Whenever this Lease requires or permits the giving by City of its consent or approval, the Director of Property, or his or her designee, shall be authorized to provide such approval, except as otherwise provided by applicable law, including the Charter of the City and County of San Francisco. Any amendments or modifications to this Lease, including, without limitation, amendments to or modifications to the exhibits to this Lease, shall be subject to the mutual written agreement of City and Landlord, and City's agreement may be made upon the sole approval of the 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) increasing the Rent, (d) changing the general use of the Premises from the use authorized under Section 5.1 (Permitted Use) of this Lease, and (e) any other amendment or modification which materially increases City's liabilities or financial obligations under this Lease shall additionally require the approval of City's Board of Supervisors.

23.4 Authority

Landlord represents and warrants to City that it is the sole owner of the Property and the execution and delivery of this Lease by Landlord does not violate any provision of any agreement, law or regulation to which Landlord or the Property is subject. If Landlord is a corporation, limited liability company or a

partnership, each of the persons executing this Lease on behalf of Landlord does hereby covenant and warrant that Landlord is a duly authorized and existing entity, that Landlord has and is qualified to do business in California, that Landlord has the full right and authority to enter into this Lease, and that each and all of the persons signing on behalf of Landlord are authorized to do so. On City's request, Landlord shall provide City with evidence reasonably satisfactory to City confirming the foregoing representations and warranties.

23.5 Parties and Their Agents; Approvals

If applicable, the word "Landlord" as used in this Lease shall include the plural as well as the singular. As used in this Lease, the term "Agents" when used with respect to either party shall include the agents, employees, officers and contractors of such party, and the term "Invitees" when used with respect to City shall include the clients, customers, invitees, guests, licensees, assignees or subtenants of City. All approvals, consents or other determinations permitted or required by City under this Lease, including but not limited to the exercise of any option granted to City, shall be made by or through City's Director of Property unless otherwise provided in this Lease, subject to any applicable limitations in the City's Charter.

23.6 Interpretation of Lease

The captions preceding the articles and sections of this Lease and in the table of contents have been inserted for convenience of reference only and such captions shall in no way define or limit the scope or intent of any provision of this Lease. This Lease has been negotiated at arm's length and between persons sophisticated and knowledgeable in the matters dealt with herein and shall be interpreted to achieve the intent and purposes of the parties, without any presumption against the party responsible for drafting any part of this Lease. Except as otherwise specifically provided herein, wherever in this Lease Landlord or City is required or requested to give its consent or approval to any matter or action by the other, such consent or approval shall not be unreasonably withheld or delayed and the reasons for disapproval of consent shall be stated in reasonable detail in writing. Provisions in this Lease relating to number of days shall be calendar days, unless otherwise specified, provided that if the last day of any period to give notice, reply to a notice or to undertake any other action occurs on a Saturday, Sunday or a bank or City holiday, then the last day for undertaking the action or giving or replying to the notice shall be the next succeeding business day. Use of the word "including" or similar words shall not be construed to limit any general term, statement or other matter in this Lease, whether or not language of non-limitation, such as "without limitation" or similar words, are used.

23.7 Successors and Assigns

Subject to the provisions of Section 14 (Assignment and Subletting) relating to assignment and subletting, the terms, covenants and conditions contained in this Lease shall bind and inure to the benefit of Landlord and City and, except as otherwise provided herein, their personal representatives and successors and assigns. There are no third-party beneficiaries to this Lease.

23.8 Brokers

Neither party has had any contact or dealings regarding the leasing of the Premises, or any communication in connection therewith, through any licensed real estate broker or other person who could claim a right to a commission or finder's fee in connection with the lease contemplated herein, except for the broker, if any, identified in the Basic Lease Information, whose commission, if any is due, shall be the sole responsibility of Landlord pursuant to a separate written agreement between Landlord and such broker, and City shall have no liability therefor. In the event that any other broker or finder perfects a claim for a commission or finder's fee based upon any such contact, dealings or communication, the party through whom the broker or finder makes his claim shall be responsible for such commission or fee and shall indemnify the other party from any and all Claims incurred by the indemnified party in defending against the same. The provisions of this Section shall survive any termination of this Lease.

23.9 Severability

If any provision of this Lease or the application thereof to any person, entity or circumstance shall 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, shall not be affected thereby, and each other provision of this Lease shall be valid and be enforceable to the full extent permitted by law, except to the extent that enforcement of this Lease without the invalidated provision would be unreasonable or inequitable under all the circumstances or would frustrate a fundamental purpose of this Lease.

23.10 Governing Law

This Lease shall be construed and enforced in accordance with the laws of the State of California.

23.11 Entire Agreement

The parties intend that this Lease (including all of the attached exhibits, which are made a part of this Lease) shall be the final expression of their agreement with respect to the subject matter hereof and may not be contradicted by evidence of any prior or contemporaneous written or oral agreements or understandings. The parties further intend that this Lease shall constitute the complete and exclusive statement of its terms and that no extrinsic evidence whatsoever (including prior drafts hereof and changes therefrom) may be introduced in any judicial, administrative or other legal proceeding involving this Lease.

23.12 Attorneys' Fees

In the event that either Landlord or City fails to perform any of its obligations under this Lease or in the event a dispute arises concerning the meaning or interpretation of any provision of this Lease, the defaulting party or the non-prevailing party in such dispute, as the case may be, shall pay the prevailing party reasonable attorneys' and experts' fees and costs, and all court costs and other costs of action incurred by the prevailing party in connection with the prosecution or defense of such action and enforcing or establishing its rights hereunder (whether or not such action is prosecuted to a judgment). For purposes of this Lease, reasonable attorneys' fees of the City's Office of the City Attorney shall be based on the fees regularly charged by private attorneys with the equivalent number of years of experience in the subject matter area of the law for which the City Attorney's services were rendered who practice in the City of San Francisco in law firms with approximately the same number of attorneys as employed by the Office of the City Attorney. The term "attorneys' fees" shall also include, without limitation, all such fees incurred with respect to appeals, mediations, arbitrations, and bankruptcy proceedings, and whether or not any action is brought with respect to the matter for which such fees were incurred. The term "costs" shall mean the costs and expenses of counsel to the parties, which may include printing, duplicating and other expenses, air freight charges, hiring of experts, and fees billed for law clerks, paralegals, and others not admitted to the bar but performing services under the supervision of an attorney.

23.13 Holding Over

Should City hold over in possession of the Premises after the expiration of the Term with Landlord's consent, such holding over shall not be deemed to extend the Term or renew this Lease, but such tenancy thereafter shall continue as a month-to-month tenancy. Such tenancy shall be on all the terms and conditions set forth in this Lease and at the monthly Base Rent in effect during the last month of the Term of this Lease or such other rental as Landlord and City may mutually agree in writing as a condition to Landlord's consent to such holding over, and City shall continue as a month-to-month tenant until the tenancy shall be terminated by Landlord giving City or City giving Landlord at least thirty (30) days' prior written notice of termination. Should City hold over without Landlord's consent, the rent payable by City during the period of such holding over shall be one hundred ten percent (110%) of the monthly Base Rent in effect during the last month of the Term of this Lease, and such tenancy shall otherwise be on the terms and conditions contained herein.

23.14 Cumulative Remedies

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

23.15 Time of Essence

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

23.16 Survival of Indemnities

Termination of this Lease shall 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, nor shall it affect any provision of this Lease that expressly states it shall survive termination hereof. Each party hereto specifically acknowledges and agrees that, with respect to each of the indemnities contained in this Lease, the indemnitor has an immediate and independent obligation to defend the indemnitees from any claim which actually or potentially falls within the indemnity provision even if such allegation is or may be groundless, fraudulent or false, which obligation arises at the time such claim is tendered to the indemnitor by the indemnitee and continues at all times thereafter.

23.17 Signs

City may erect or post signs on or about the Premises subject to Landlord's prior approval. Landlord reserves the right to review the placement, design, and plan for any such sign prior to its erection or posting and agrees that the approval thereof shall not be unreasonably withheld or delayed.

23.18 Quiet Enjoyment and Title

Landlord covenants and represents that it has full right, power and authority to grant the leasehold estate hereunder, and covenants that City, upon paying the Rent hereunder and performing the covenants hereof, shall peaceably and quietly have, hold and enjoy the Premises and all appurtenances during the full Term of this Lease as against all persons or entities claiming by and through Landlord or on account of any action, inaction or agreement of Landlord or its Agents. Without limiting the provisions of Section 16.2 (Landlord's Indemnity), Landlord agrees to Indemnify City and its Agents against Claims arising out of any assertion that would interfere with City's right to quiet enjoyment as provided in this Section.

23.19 Bankruptcy

Landlord represents and warrants to City that Landlord has neither filed nor been the subject of any filing of a petition under the federal bankruptcy law or any federal or state insolvency laws or laws for composition of indebtedness or for the reorganization of debtors, and, to the best of Landlord's knowledge, no such filing is threatened. Landlord and City agree that City's leasehold estate created hereby includes, without limitation, all rights to receive and enjoy all services, facilities and amenities of the Premises and the Building as provided herein, and that if any of such services, facilities or amenities are terminated, or materially limited or restricted on account of any such case or proceeding, or for any other reason, City shall have the right to (a) contract directly with any third-party provider of such services, facilities or amenities to obtain the same, and (b) offset against the Base Rent or other charges payable hereunder any and all reasonable costs and expenses incurred by City in obtaining such services, facilities or amenities.

23.20 Transfer of Landlord's Interest

Landlord shall have the right to transfer its interest in the Property, the Building and this Lease. In the event of any such transfer, Landlord shall be relieved, upon notice to City of the name and address of Landlord's successor, of any obligations accruing hereunder from and after the date of such transfer and upon delivering to City an express assumption by the transferee of all of Landlord's obligations hereunder.

23.21 Non-Liability of City Officials, Employees and Agents

Notwithstanding anything to the contrary in this Lease, no elective or appointive board, commission, member, officer, employee or agent of City shall be personally liable to Landlord, its successors and assigns, in the event of any default or breach by City or for any amount which may become due to Landlord, its successors and assigns, or for any obligation of City under this Lease.

23.22 MacBride Principles - Northern Ireland

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

23.23 Controller's Certification of Funds

[As currently provided in Lease Section 23.23]

23.24 Prevailing Wages and Working Conditions

Any undefined, initially-capitalized term used in this Section shall have the meaning given to such term in San Francisco Administrative Code Section 23.61. Landlord agrees to require its Contractors and Subcontractors performing (i) labor in the construction of a "public work" as defined in California Labor Code Section 1720 *et seq.* (which includes certain construction, alteration, maintenance, demolition, installation, repair, carpet laying, or refuse hauling 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"). Landlord agrees to cooperate with the City in any action or proceeding against a Contractor or Subcontractor that fails to comply with the Prevailing Wage Requirements.

Landlord shall include, and require its 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 shall 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. Landlord's failure to comply with its obligations under this Section shall 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.

23.25 Non Discrimination in City Contracts and Benefits Ordinance

(a) Covenant Not to Discriminate

In the performance of this Lease, Landlord agrees not to discriminate against any employee of, any City employee working with Landlord, or applicant for employment with Landlord, 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

Landlord shall include in all subcontracts relating to the Premises a non-discrimination clause applicable to such subcontractor in substantially the form of subsection (a) above. In addition, Landlord 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 subcontractors to comply with such provisions. Landlord's failure to comply with the obligations in this subsection shall constitute a material breach of this Lease.

(c) Non-Discrimination in Benefits

Landlord does not as of the date of this Lease and will not during the term of this Lease, in any of its operations in San Francisco, on real property owned by City, 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) CMD Form

As a condition to this Lease, Landlord 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 (the "CMD"). Landlord hereby represents that prior to execution of the Lease: (a) Landlord executed and submitted to the CMD Form CMD-12B-101 with supporting documentation, and (b) the CMD approved such 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 property to City are incorporated in this Section by reference and made a part of this Lease as though fully set forth herein. Landlord shall comply fully with and be bound by all of the provisions that apply to this Lease under such Chapters of the Administrative Code, including but not limited to the remedies provided in such Chapters. Without limiting the foregoing, Landlord understands that pursuant to 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 such person was discriminated against in violation of the provisions of this Lease may be assessed against Landlord and/or deducted from any payments due Landlord.

23.26 Tropical Hardwood and Virgin Redwood Ban

(a) Except as expressly permitted by the application of Sections 802(b) and 803(b) of the San Francisco Environment Code, neither Landlord nor any of its contractors shall provide any items to City in the construction of the Leasehold Improvements or otherwise in the performance of this Lease which are tropical hardwood, tropical hardwood wood products, virgin redwood, or virgin redwood wood products.

(b) The City and County of San Francisco 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 products.

(c) In the event Landlord fails to comply in good faith with any of the provisions of Chapter 8 of the San Francisco Environment Code, Landlord shall be liable for liquidated damages for each violation in an amount equal to Landlord's net profit on the contract, or five

percent (5%) of the total amount of the contract dollars, whichever is greatest. Landlord acknowledges and agrees that the liquidated damages assessed shall be payable to the City and County of San Francisco upon demand and may be set off against any monies due to Landlord from any contract with the City and County of San Francisco.

23.27 Bicycle Parking Facilities

Article 1.5, Section 155.3, of the San Francisco Planning Code (the "Planning Code") requires the provision of bicycle parking at City-leased buildings at no cost to Landlord. During the Term, City shall have the right to install and maintain, at its sole cost, all Class 1 Bicycle Parking Spaces (as defined in the Planning Code) and all Class 2 Bicycle Parking Spaces (as defined in the Planning Code) in the Building locations required under the Planning Code.

23.28 Resource-Efficient City Buildings and Pilot Projects

Landlord acknowledges that the City and County of San Francisco has enacted San Francisco Environment Code Sections 700 to 713 relating to green building requirements for the design, construction and operation of City buildings. Landlord, at no cost to Landlord, hereby agrees that it shall reasonably cooperate with City in the compliance with all applicable provisions of such code sections.

23.29 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 which is covered by this Section will be made available to the public upon request.

23.30 Conflicts of Interest

Through its execution of this Lease, Landlord acknowledges that it is familiar with the provisions of Article III, Chapter 2 of 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 would constitute a violation of said provisions, and agrees that if Landlord becomes aware of any such fact during the Term of this Lease, Landlord shall immediately notify City.

23.31 Notification of Limitations on Contributions

Through its execution of this Lease, Landlord acknowledges that it is familiar with Section 1.126 of the San Francisco Campaign and Governmental Conduct Code, which prohibits any person who contracts with the City for the selling or leasing of any land or building to or from the City whenever such transaction would require 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, from making any campaign contribution to (a) the City elective officer, (b) a candidate for the office held by such individual, or (c) 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 such contract or six months after the date the contract is approved. Landlord 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 \$50,000 or more. Landlord further acknowledges that the prohibition on contributions applies to each Landlord; each member of Landlord's board of directors, and Landlord's chief executive officer, chief financial officer and chief operating officer; any person with an ownership interest of more than 20 percent in Landlord; any

subcontractor listed in the contract; and any committee that is sponsored or controlled by Landlord. Additionally, Landlord acknowledges that Landlord must inform each of the persons described in the preceding sentence of the prohibitions contained in Section 1.126. Landlord further agrees to provide to City the name of each person, entity or committee described above.

23.32 Preservative-Treated Wood Containing Arsenic

Landlord 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 under Section 1304 of the Environment 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, ammoniac copper zinc arsenate preservative, or ammoniacal copper arsenate preservative. Landlord may purchase preservative-treated wood products on the list of environmentally preferable alternatives prepared and adopted by the Department of Environment. This provision does not preclude Landlord 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.

23.33 Cooperative Drafting

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

23.34 Rent

[As currently provided in Lease Section 23.28]

23.35 Landlord's Default

[As currently provided in Lease Section 23.29]



November 8, 2024

Honorable Board of Supervisors
City and County of San Francisco
City Hall, Room 244
1 Carlton B, Goodlett Place
San Francisco, CA 94102

Re: Lease Agreement – Department of Child Support Services, 101 New Montgomery/617 Mission Street

Dear Board Members,

Attached for your consideration is a Resolution authorizing a new lease at 101 New Montgomery Street/617 Mission Street, for use by the San Francisco Department of Child Support Services (SFDCSS) to facilitate the payment of child support for over 7,033 children per year.

California's child support program formally began in 1975 with the enactment of Title IV-D of the Social Security Act of 1975. Until 1999, the child support program was administered by the State Department of Social Services and executed by the local level by each county's District Attorney's office. California's Child Support Reform Legislation of 1999 mandated the child support services program in its current form – administered by the California Department of Child Support Services (CA DCSS) and executed at the local level by the local child support agency (LCSA) also known as the San Francisco Department of Child Support Services.

SFDCSS promotes the well-being of San Francisco children by establishing and then delivering child support collection services, that help both the parents meet the financial, medical and emotional needs of their children. Through the collection and distribution of funds, SFDCSS achieves cost savings to taxpayers by reducing dependency on public assistance and also improves the quality of life for affected San Francisco children who are not on assistance.

SFDCSS also locates absent parents and establishes paternity of and support for children including medical insurance coverage. It reviews and adjusts support orders as appropriate, collects and distributes support payments, monitors and enforces payment performance and public outreach.

SFDCSS operated in a premises formerly comprising of 33,998 square feet. They consolidated their offices due to increased costs of salaries and benefits along with a

reduction in staffing. The new Lease comprises of approximately 5,296 sq. ft on the first floor, 10,149 sq. ft. on the second floor and certain basement storage space comprising of 2,000 sq. ft.

SFDCSS has been located and leased at 109 New Montgomery Street/617 Mission Street since March 1995. The lease was last extended by Board Resolution No. 204-18 and expires on December 31, 2024. The new lease will commence on January 1, 2025 and expire on December 31, 2032.

The proposed Base Rent for the reduced space is \$580,020 for the initial year (approximately \$36.00 per square foot per year) and increased annually by 3%. The Base Rent is fully serviced except for electricity, which is separately metered. The new base year shall be 2025. The term of the lease is seven (7) years with one (1) option to extend for an additional five (5) years.

According to the SFDCSS, the California Department of Child Support Services (CDCSS) provides 100% of the SFDCSS's funding and SFDCSS does not impact the City's General Fund.

We recommend approval of the proposed new lease. If you have any questions regarding this matter, please get in touch with me or our office at 415-554-9860.

Sincerely,

A handwritten signature in blue ink, appearing to read "Andrico Penick".

Andrico Penick
Director of Property

cc: Karen Roye, Director, SFDCSS



San Francisco Ethics Commission

25 Van Ness Avenue, Suite 220, San Francisco, CA 94102
 Phone: 415.252.3100 . Fax: 415.252.3112
ethics.commission@sfgov.org . www.sfethics.org

Received On:

File #: 241140

Bid/RFP #:

Notification of Contract Approval

SFEC Form 126(f)4
 (S.F. Campaign and Governmental Conduct Code § 1.126(f)4)
 A Public Document

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

1. FILING INFORMATION	
TYPE OF FILING	DATE OF ORIGINAL FILING (for amendment only)
Original	
AMENDMENT DESCRIPTION – Explain reason for amendment	

2. CITY ELECTIVE OFFICE OR BOARD	
OFFICE OR BOARD	NAME OF CITY ELECTIVE OFFICER
Board of Supervisors	Members

3. FILER'S CONTACT	
NAME OF FILER'S CONTACT	TELEPHONE NUMBER
Angela Calvillo	415-554-5184
FULL DEPARTMENT NAME	EMAIL
office of the Clerk of the Board	Board.of.Supervisors@sfgov.org

4. CONTRACTING DEPARTMENT CONTACT	
NAME OF DEPARTMENTAL CONTACT	DEPARTMENT CONTACT TELEPHONE NUMBER
Susan Faidi	415-554-9850
FULL DEPARTMENT NAME	DEPARTMENT CONTACT EMAIL
ADM RED	realestateadmin@sfgov.org

5. CONTRACTOR	
NAME OF CONTRACTOR 101 NEW MONTGOMERY STREET, LP, and MACLEAN PROPERTIES	TELEPHONE NUMBER N/A
STREET ADDRESS (including City, State and Zip Code) 27 Maiden Lane, Suite 250, San Francisco, CA 94108	EMAIL gconnersf@gmail.com

6. CONTRACT		
DATE CONTRACT WAS APPROVED BY THE CITY ELECTIVE OFFICER(S)	ORIGINAL BID/RFP NUMBER	FILE NUMBER (If applicable) 241140
DESCRIPTION OF AMOUNT OF CONTRACT \$4,444,381.31		
NATURE OF THE CONTRACT (Please describe) Lease for seven (7) years with one (1) option to extend for five (5) years. Initial annual Base Rent of \$580,020 with annual rent increases of 3%, plus tenant responsible for utilities and operating expenses. Lease for office of Child Support Services.		

7. COMMENTS

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

9. AFFILIATES AND SUBCONTRACTORS

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

#	LAST NAME/ENTITY/SUBCONTRACTOR	FIRST NAME	TYPE
1	Gregory	Ann	Other Principal Officer
2	Gregory	Allen	Other Principal Officer
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9. AFFILIATES AND SUBCONTRACTORS

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

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

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

#	LAST NAME/ENTITY/SUBCONTRACTOR	FIRST NAME	TYPE
39			
40			
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49			
50			
<input type="checkbox"/>	Check this box if you need to include additional names. Please submit a separate form with complete information. Select "Supplemental" for filing type.		

10. VERIFICATION

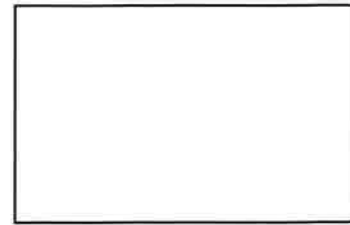
I have used all reasonable diligence in preparing this statement. I have reviewed this statement and to the best of my knowledge the information I have provided here is true and complete.

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

<p>SIGNATURE OF CITY ELECTIVE OFFICER OR BOARD SECRETARY OR CLERK</p> <p>BOS Clerk of the Board</p>	<p>DATE SIGNED</p>
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Introduction Form

(by a Member of the Board of Supervisors or the Mayor)



I hereby submit the following item for introduction (select only one):

- 1. For reference to Committee (Ordinance, Resolution, Motion or Charter Amendment)
- 2. Request for next printed agenda (For Adoption Without Committee Reference)
(Routine, non-controversial and/or commendatory matters only)
- 3. Request for Hearing on a subject matter at Committee
- 4. Request for Letter beginning with "Supervisor _____ inquires..."
- 5. City Attorney Request
- 6. Call File No. _____ from Committee.
- 7. Budget and Legislative Analyst Request (attached written Motion)
- 8. Substitute Legislation File No. _____
- 9. Reactivate File No. _____
- 10. Topic submitted for Mayoral Appearance before the Board on _____

The proposed legislation should be forwarded to the following (please check all appropriate boxes):

- Small Business Commission Youth Commission Ethics Commission
- Planning Commission Building Inspection Commission Human Resources Department

General Plan Referral sent to the Planning Department (proposed legislation subject to Charter 4.105 & Admin 2A.53):

- Yes No

(Note: For Imperative Agenda items (a Resolution not on the printed agenda), use the Imperative Agenda Form.)

Sponsor(s):

Aaron Peskin

Subject:

Real Property Lease - MacLean Properties, LLC and 101 New Montgomery Street LP - 101 New Montgomery Street also known as 617 Mission Street - \$580,020 Initial Annual Base Rent

Long Title or text listed:

Resolution approving and authorizing the Director of Property, on behalf of the Department of Child Support Services, to lease real property comprising of 15,445 rentable square feet and 2,000 square feet of storage space located at 101 New Montgomery Street also known as 617 Mission Street from MacLean Properties, LLC and 101 New Montgomery Street LP, for an initial seven-year term, commencing January 1, 2025, through December 31, 2032, at an initial annual base rent of \$580,020 with annual rent increases of three percent, plus a five-year option to extend; and to authorize the Director of Property to enter into amendments or modifications to the Lease that do not materially increase the obligations or liabilities to the City and are necessary to effectuate the purposes of the Lease or this Resolution.

Signature of Sponsoring Supervisor: