

**FIRST AMENDMENT TO LEASE**

**(1980 Oakdale Ave., San Francisco, CA)**

THIS FIRST AMENDMENT TO LEASE (this "**Amendment**") is made as of April 1, 2022, in San Francisco, California, by and between by KRISTIAN A. AKSETH, an individual, LILLY B. AKSETH, an individual, and LIBKRA INVESTMENT CORPORATION, a California corporation, collectively as landlord ("**Landlord**"), and the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation, acting by and through its Public Utilities Commission ("**City**" or "**Tenant**") as tenant. Landlord and City are sometimes collectively referred to in this Amendment as the "Parties" or singularly as a "Party".

**RECITALS**

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

A. City and Landlord entered into that certain Lease dated as of November 16, 2016 ("**Lease**"), for the lease of approximately 36,400 rentable square feet of building space and 12,000 rentable square feet of paved yard space (together, the "**Premises**") located at 1980 Oakdale Avenue ("**Building**"), in San Francisco, California.

B. City has one (1) option to extend the term for an additional three (3) years beyond the existing Expiration Date of December 31, 2022.

C. By that certain Agreement to Extend Notice dated December 1, 2021, Landlord and Tenant agreed that the date for City to provide notice of its intent to extend the term was February 28, 2022. City provided such notice in a timely manner.

D. The Parties now desire to extend and modify the Lease on the terms and conditions as set forth in this Amendment.

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

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

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

Term (Section 3.1):

Commencement Date: February 1, 2017

Extension Term Commencement Date: January 1, 2023

Extension Term Expiration Date: December 31, 2030, subject to City's termination rights after December 31 2027 as provided in Section 3.5 of the Lease (City's Early Termination Option).

Extension Options (Section 3.4):

None remaining.

Base Rent (Section 4.1) and Adjustment Dates (Section 4.2):

For the period from February 1, 2022 through December 31, 2022, the Annual Base Rent is \$874,260 (or \$72,855 per month). Beginning on January 1, 2023, the Annual Base Rent will be \$1,024,054.20 (or \$85,337.85 per month). Beginning on January 1, 2024, the Annual Base Rent shall be adjusted and thereafter adjusted annually on each January 1 pursuant to the provisions of Section 4.2 (Adjustments in Base Rent).

Within 30 days of the Effective Date, City shall pay a one-time fee of \$17,500 to Landlord.

Leasehold Improvements (Section 6):

Landlord, at its sole cost, through Landlord's general contractor and consultants, shall make the improvements specified in Section 6.1.

Landlord Repairs (Section 8.1):

Beginning on January 1, 2023, Landlord, at Landlord's cost, shall provide the following additional Property repairs and maintenance.

- Fire Alarm
- Lift Maintenance
- HVAC Maintenance
- Interior Plumbing and Electrical Systems as same exist as of the date of this Amendment, but excluding minor routine repairs and fixture replacements
- Yard Gate Maintenance

Security Services (Section 9.3):

Beginning January 1, 2023, Landlord, at Landlord's cost, shall maintain and repair the existing security camera and burglar alarm system.

Notice Address for Tenant (Section 23.1):

Real Estate Services Division  
San Francisco Public Utilities Commission  
525 Golden Gate Avenue, 10th Floor  
San Francisco, California 94102  
Attn: Real Estate Director  
Re: 1980 Oakdale Lease

With a copy to:

SFPUC City Distribution Division  
1990 Newcomb Avenue  
San Francisco, California 94124  
Attn: Maintenance Manager  
Re: 1980 Oakdale Lease

With a copy to:

Finance Division  
San Francisco Public Utilities Commission  
525 Golden Gate Avenue, 3<sup>rd</sup> Floor  
San Francisco, California 94102  
Attn: Accounting Manager  
Re: 1980 Oakdale Lease

With a copy to:

Office of the City Attorney City Hall, Room 234  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102-4682  
Attn: Real Estate Team Leader  
Re: 1980 Oakdale/ SFPUC  
Fax No.: (415) 554-4755

Brokers (Section 23.8):

None for this Amendment.

**3. New Section 3.5. (City’s Early Termination Option).** A new Section 3.5 is added to **Section 3** (Term) to read in its entirety as follows:

**3.5 City’s Early Termination Option**

“City shall have the right to terminate the Lease, without cause or penalty, effective any time after December 31, 2027 by providing Landlord with 270 days’ advance written notice of termination.”

**4. Amended Section 4.1** (Base Rent) is hereby amended by adding the following:

“Beginning on January 1, 2023, City shall pay to Landlord Annual Base Rent of \$1,024,054.20 (“**Base Rent**”). Beginning on the January 1, 2024, the Base Rent shall be adjusted in accordance with Section 4.2 (Adjustments in Base Rent) provided, however, that Landlord must be a registered, approved City vendor,

including maintaining a City business license, as a condition to City's payment of Rent.

Within 30 days of the Effective Date of this Amendment, City shall pay a one-time fee of \$17,500."

5. **A new sentence is added to the end of Section 4.2** (Adjustments in Base Rent) as follows:

"As soon as Landlord has calculated the adjusted Base Rent, Landlord shall send a notice to the addresses contained in Section 1 (Basic Lease Information) plus email such notice to [RES@SFWATER.ORG](mailto:RES@SFWATER.ORG)."

6. **Section 6 (Leasehold Improvements)** is hereby amended and restated to read in its entirety:

**"Section 6.1 (Improvements).** Landlord, through 450 Architects ("Architect"), MCK Americas, Inc ("Project Manager"), a yet to be determined general contractor, and other vendors selected by Landlord (together, "**Landlord's Consultants**") shall construct the following described interior improvements to the Premises. Such work and installations are referred to as the "**Leasehold Improvement Work**" and "**Leasehold Improvements.**"

- a) Repair (and replace as necessary) the existing HVAC equipment so as to provide an ASHRAE-compliant HVAC system for the existing 32 employees located at the Building and to accommodate the addition of not more than 28 additional employees on the mezzanine level. At completion of the installation, Landlord's vendor/contractor shall deliver a standard air balance report to City.
- b) Install one (1) additional ADA compliant washroom on the mezzanine level in the area shown on Exhibit 1 to this Amendment.
- c) Install one (1) ADA compliant lift which will service the mezzanine level in the area shown on Exhibit 1 to this Amendment.
- d) Make improvements to both first-floor washrooms as required so that each such washroom is ADA compliant as shown on Exhibit 1 to this Amendment.

Landlord shall be solely responsible for the design, construction, and cost of the Leasehold Improvements. In that regard, Landlord reserves the right to replace any of Landlord's Consultants for any reason or no reason. Landlord shall work expeditiously and in good faith to prepare a detailed plan showing the improvements and a preliminary construction schedule, and to complete the Leasehold Improvements in a good and professional manner. Landlord shall keep City apprised on a regular basis of the status of plan preparation, permit issuance and the progress of construction.

City agrees to reasonably cooperate with Landlord for the installation of the Leasehold Improvements, including, without limitation, complying with any reasonable rules imposed by Landlord in connection with the Leasehold Improvement Work and moving Tenant's Personal Property as needed for Landlord to perform the

Leasehold Improvement Work, and to communicate issues concerning the Leasehold Improvement Work only directly and in writing (by email or otherwise) with Landlord. For the avoidance of any doubt, Tenant shall move Tenant's Personal Property, including causing its employees to pack up any personal items on their desks, as reasonably required or needed for Landlord to complete the Leasehold Improvement Work. Landlord, without the obligation to pay overtime, shall take all commercially reasonable efforts to minimize the disruption to City ongoing business. For the avoidance of any doubt, City acknowledges and agrees that the Leasehold Improvement Work shall be performed while City is occupying the Premises and that in order to perform certain of the Leasehold Improvement Work, certain of the washrooms being improved may be closed and that there may be times during the performance of such work when the mezzanine will be inaccessible or may not be used by Tenant, provided that one washroom at the Premises will be available at all times. The Leasehold Improvement Work may be noisy and messy and Landlord shall have no liability to Tenant for any disruption caused by the Leasehold Improvement Work so long as Landlord uses its commercially reasonable efforts to minimize disruption to the City's business in the Premises as set forth above.

Landlord shall secure any building and other permits and approvals, government fees, licenses and inspections as necessary for the proper performance and completion of the Leasehold Improvement Work; City shall reasonably cooperate with Landlord in its capacity as tenant if needed to assist Landlord in acquiring such permits and approvals. Landlord shall be responsible for arranging for all inspections. Landlord will pay prevailing wages in connection with construction of the Leasehold Improvements as further provided in Section 23.24 (Prevailing Wages and Working Conditions), and may not use tropical hardwood wood products, or virgin redwood wood products as further provided in Section 23.26 (Tropical Hardwood and Virgin Redwood Ban).

Landlord, on behalf of itself and its successors, assigns and agents, shall comply with all requirements of the San Francisco Building Code Chapter 34 and all other applicable local, state, and Federal laws, including but not limited to the California and United States Occupational and Health Safety Acts and their implementing regulations in the construction of the Leasehold Improvements, including when the work of improvement or alteration disturbs or removes exterior or interior lead-based or "presumed" lead-based paint (as defined below). Landlord and its Agents shall give to City three (3) business days' prior written notice of any disturbance or removal of exterior or interior lead-based or presumed lead-based paint. Landlord acknowledges that the required notification to the Department of Building Inspection regarding the disturbance or removal of exterior lead-based paint pursuant to Chapter 34 of the San Francisco Building Code does not constitute notification to City as Tenant under this Lease and similarly that notice under this Lease does not constitute notice under Chapter 34 of the San Francisco Building Code. Further, Landlord and its Agents, when disturbing or removing exterior or interior lead-based or presumed lead-based paint, shall not use or cause to be used any of the following methods: (a) acetylene or propane burning and torching; (b) scraping, sanding or grinding without containment barriers or a High Efficiency Particulate Air filter ("HEPA") local vacuum exhaust

tool; (c) hydroblasting or high-pressure wash without containment barriers; (d) abrasive blasting or sandblasting without containment barriers or a HEPA vacuum exhaust tool; and (e) heat guns operating above 1,100 degrees Fahrenheit. Landlord will comply with the requirements of Title 17 of the California Code of Regulations when taking measures that are designed to reduce or eliminate lead hazards. Under this Section, paint on the exterior or interior of buildings built before January 1, 1979 is presumed to be lead-based paint unless a lead-based paint test, as defined by Chapter 34 of the San Francisco Building Code, demonstrates an absence of lead-based paint on the interior or exterior surfaces of such buildings. Under this Section, lead-based paint is “disturbed or removed” if the work of improvement or alteration involves any action that creates friction, pressure, heat or a chemical reaction upon any lead-based or presumed lead-based paint on a surface so as to abrade, loosen, penetrate, cut through or eliminate paint from that surface.”

**“Section 6.2 (Workstations):** Landlord shall purchase Herman Miller or better workstations and related items such as floor protection and electrical hook ups (“**Workstations**”) through a vendor (the “**Workstation Vendor**”) reasonably approved by City up to a maximum total cost of \$325,000 (“**Workstation Cost**”). City shall be solely responsible for working with such Workstation Vendor to design and manage the installation of the Workstations. Landlord shall pay such Workstation Vendor’s invoice up to the amount of the Workstation Cost, but shall have no responsibility for any cost exceeding the Workstation Cost or the ordering, delivery, risk of loss, installation, or the long-term effectiveness of the Workstations. City shall arrange for and pay directly to the Workstation Vendor any amount for the Workstations that is over the Workstation Cost. Although Landlord will enter into the contract with the Workstation Vendor, Landlord’s performance under such contract shall be limited to payment to the Workstation Vendor and Landlord shall insure that any such contract provides that the warranties and guaranties therein are assignable to the City. Except for Landlord’s obligation to pay the invoice from the Workstation Vendor with respect to the Workstations, City’s only remedy with respect to the Workstations shall be to the Workstation Vendor.

Within thirty (30) days of the completion of the installation of the Workstations and Landlord’s invoicing, City shall pay Landlord the actual cost of the furniture Workstations plus a fifteen percent (15%) administrative fee (“**Workstation Administrative Fee,**”) up to the Workstation Cost. If the Workstation Cost is not paid by City within such thirty (30) days, interest on the unpaid amount will be computed monthly at a rate of 9% percent annually (0.75 % monthly). The Workstation order must be placed, if at all, by the later of (i) September 30, 2023, or (ii) nine (9) months following receipt of notice of substantial completion of the Leasehold Improvement Work.

In addition, upon the expiration or sooner termination of this Lease, City shall be responsible for (i) removing the Workstations and repairing any damage caused by such removal, or (ii) paying the sum of \$10,000 to Landlord in accordance with Section 20.”

7. **Section 8** (Repairs and Maintenance) beginning on January 1, 2023, is hereby amended and restated to read in its entirety:

**“8. REPAIRS AND MAINTENANCE**

**8.1 Landlord's Repairs**

Except for any damage directly caused by City or its Agents or Invitees (excluding normal wear and tear and casualty), Landlord shall repair and maintain, at its cost and in a clean, safe, attractive and working condition, the exterior and structural portions of the Building, including, without limitation, the sidewalk, tree trimming, existing roof including drain clearing, the yard gate, foundation, the exterior walls, and exterior window frames and subflooring. Except for any damage directly caused by City or its Agents or Invitees (excluding normal wear and tear and casualty), Landlord shall also repair and maintain, at its cost and in a clean, safe, and working condition the plumbing, electrical, fire protection, life safety, and other mechanical and electrical components of the Building from the street to the Building (collectively, the "**Building Systems**"), in addition to the following interior items:

(a) The interior plumbing as same exist as of the date of this Amendment, but excluding minor routine repairs that do not require a permit or third party vendor for parts or repair, and do not require access to the Building Systems, such as clogged toilets and leaky faucets;

(c) The interior electrical system as same exist as of the date of this Amendment, but excluding minor routine repairs and fixture replacements that do not require a permit or third party vendor for parts or repair, and do not require access to the Building Systems, such as replacing light bulbs and electrical outlet faceplates;

(d) The HVAC system, including changing the filters as required;

(e) The security cameras and related recording system as described in Section 9.3 below;

(f) The Fire and Life Safety systems, including the fire sprinkler and alarm systems but excluding annual certification and servicing of the portable fire extinguishers;

(g) Roof drain cleaning; and

(h) Exterior graffiti removal.

(i) The interior Building lift being installed as part of the Leasehold Improvements.

Except for the repairs described in this Section 8.1 and Section 9.3 below, Tenant shall be responsible for all other repairs to the Premises.

**8.2 City's Repairs**

Subject to any construction warranties or guaranties received in connection with Landlord's completion of the Leasehold Improvements, and Landlord's repair and maintenance obligations set forth in Section 8.1 and Section 9.3, City shall repair and maintain at its cost the parking lot, the perimeter fencing, and the interior portions of the Premises, including, without limitation, the roll-up doors and those interior portions of the Building Systems for the Premises not being maintained by Landlord pursuant to Section 8.1, and shall keep the Premises in good working order and attractive condition 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 that Landlord specifies in writing (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 materially 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 contracting requirements under City's Charter and Administrative Code. If City fails to make such repairs within thirty (30) days of notice from Landlord of the need for such repairs (except in cases of emergency in which case no notice or notice that is reasonable under the circumstances will be given), then Landlord may give City written notice of Landlord's intent to perform such repairs and its cost and City shall reimburse Landlord for the reasonable and necessary costs incurred by Landlord in performing such repairs, including payment of an Administrative Fee, as Additional Charges hereunder within thirty (30) days of a receipt of an invoice therefor.

### **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 material suppliers' liens. City shall give Landlord at least fifteen (15) days' prior written notice of commencement of any repair or construction on the Premises."

### **8. Section 9.3 (Security Services) is hereby amended and restated to read in its entirety:**

**"9.3 Security Services.** Beginning January 1, 2023, while Tenant remains solely responsible for Tenant's other security needs at the Premises, Landlord, at its cost, shall be responsible for maintaining and repairing the existing security cameras and security alarm system. Throughout the Term, City shall provide a knowledgeable representative available 24/7 to respond to any alarms and shall be responsible for the cost of any so-called "false alarm" fees charged by the City. Landlord shall not be liable for any injury, theft or damage caused by a third-party or Tenant, including to persons or to property, due to any reason, including any failure of the security systems. The maintenance and repair of the security cameras and security alarm system is an accommodation and is not meant to create any obligation on the part of Landlord to provide security to the Premises. City, and not Landlord, shall be responsible for operating the alarms and reviewing any security camera footage."

9. **Section 10.1** (Premises Condition) is hereby amended and restated in its entirety effective as of the Extension Term Commencement Date:

**“10.1 Premises Condition.** Except for the Leasehold Improvement Work, Landlord shall not be obligated to provide or pay for any improvement, remodeling or refurbishment work or services related to the Premises and City shall accept the Premises in its “AS\_IS, WHERE-IS” condition. City acknowledges that City has been in possession of the Premises since February 1, 2017 and City is familiar with the condition of the Premises.”

10. **Section 20** (Surrender of Premises) is hereby amended and restated to read in its entirety:

**“20. Surrender.** Upon the expiration or sooner termination of this Lease, City shall surrender the Premises to Landlord in good order and condition, excepting reasonable use and wear and damage by fire or other casualty or condemnation. Prior to the Expiration Date, City shall remove from the Premises all of City's Personal Property, restore the breakroom which City is using as a water testing laboratory to its original condition as of the original Effective Date of the Lease (the **“2016 Condition”**), and remove any Alterations City desires or is required to remove from the Premises pursuant to the provisions of Section 7.1 (Alterations by City), above. For the avoidance of doubt, City is required to remove all wires and cables installed by City in the Premises. City shall repair or pay the cost of repairing any damage to the Premises or the Building resulting from such removal. City's obligations under this Section shall survive the expiration or earlier termination of this Lease. If City does not remove the Workstations and/or repair removal damage, City shall pay Landlord a lump sum of \$10,000. If City does not restore the breakroom to its 2016 Condition, City shall pay Landlord a lump sum of \$10,000. The payments described in the preceding sentence must be paid within thirty (30) days following any termination or expiration of the Lease and if such sum is not timely paid, it shall accrue interest at the rate of 9% per annum until paid.”

11. **Section 23.5** (Parties and Their Agents; Approvals) is amended by deleting the last sentence of such Section (which begins with the words “All approvals, consents...”) and replacing the deleted language with the following two sentences inserted at the end of the Section:

“Whenever this Lease requires or permits the giving by City of its consent or approval, the San Francisco Public Utilities Commission General Manager, 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. If there is more than one entity that comprises Landlord, the obligations and liabilities under this Lease imposed on Landlord shall be joint and several.”

12. **Section 23.24** (Prevailing Wages for Construction Work) is hereby amended and restated to read in its entirety:

**“23.24 Prevailing Wages for Construction Work.** 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 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 City to seek the remedies specified in San Francisco Administrative Code Section 23.61 against the breaching Party.”

13. New **Subsection 23.38** is added to **Section 23** (General Provisions) as follows:

**“23.38 Certification by Landlord.**

By executing this Lease, Landlord certifies that neither Landlord nor any of its officers or members have been suspended, disciplined, or disbarred by, or prohibited from contracting with, any federal, state, or local governmental agency. In the event Landlord or any of its officers or members have been so suspended, disbarred, disciplined, or prohibited from contracting with any governmental agency, it shall immediately notify City of same and the reasons therefore together with any relevant facts or information requested by City. Any such suspension, disbarment, discipline, or prohibition may result in the termination or suspension of this Lease. Landlord acknowledges that this certification is a material term of this Lease.”

14. New **Subsection 23.39** is added to **Section 23** (General Provisions) as follows:

**“23.39 Notification of Prohibition on Contributions.**

By executing this Lease, Landlord acknowledges its obligations under section 1.126 of the City’s Campaign and Governmental Conduct Code, which prohibits any person who leases, or seeks to lease, to or from any department of the City any land or building from making any campaign contribution to (a) a City elected official if the lease must be approved by that official, (b) a candidate for that City elective office, or (c) a committee controlled by that elected official or a candidate for that office, at any time from the submission of a proposal for the lease until the later of either the termination of negotiations for the lease or twelve (12) months after the date the City approves the lease. Landlord acknowledges that the foregoing restriction applies only if the lease or a combination or series of leases or other contracts approved by the same individual or board in a fiscal year have a total anticipated or actual value of one hundred thousand dollars (\$100,000) or more. Landlord further acknowledges that (i) the prohibition on contributions applies to each prospective Party to the lease; any person with an ownership interest of more than 10 percent (10%) in Landlord; any subcontractor listed in the lease; and any committee that is sponsored or controlled by Landlord; and (ii) within thirty (30) days of the submission of a proposal for the Lease, the City department with whom Landlord is leasing is obligated to submit to the Ethics Commission the Parties to the lease and any subcontractor. Additionally, Landlord certifies that it has informed each such person of the limitation on contributions imposed by Section 1.126 by the time it submitted a proposal for the lease, and has provided the names of the persons required to be informed to the City department with whom it is leasing.”

15. New **Subsection 23.40** is added to **Section 23** (General Provisions) as follows:

**“23.40 Landlord’s Compliance with City Business and Tax and Regulations Code.**

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

16. New **Subsection 23.42** is added to **Section 23** (General Provisions) as follows:

**“23.41 Contractor Vaccination Requirements.** Landlord acknowledges that it has read the requirements of the 38th Supplement to Mayoral Proclamation Declaring the Existence of a Local Emergency (“Emergency Declaration”), dated February 25, 2020, and the Contractor Vaccination Policy for City Contractors issued by the City Administrator (“Contractor Vaccination Policy”), as those documents may be amended from time to time. A copy of the Contractor Vaccination Policy can be found at: <https://sf.gov/confirm-vaccine-status-your-employees-and-subcontractors>.

Any undefined, initially-capitalized term used in this Section has the meaning given to that term in the Contractor Vaccination Policy.

A Contract as defined in the Emergency Declaration is an agreement between the City and any other entity or individual and any subcontract under such agreement, where Covered Employees of the contractor or subcontractor work in-person with City employees at a facility owned, leased, or controlled by the City. A Contract includes such agreements currently in place or entered into during the term of the Emergency Declaration. A Contract does not include an agreement with a state or federal governmental entity or agreements that does not involve the City paying or receiving funds.

Landlord has read the Contractor Vaccination Policy. In accordance with the Emergency Declaration, if this Lease is (or becomes) a Contract as defined in the Contractor Vaccination Policy, Landlord agrees that:

(1) Landlord shall ensure it complies with the requirements of the Contractor Vaccination Policy pertaining to Covered Employees, as they are defined under the Emergency Declaration and the Contractor Vaccination Policy, and insure such Covered Employees are fully vaccinated for COVID-19 or obtain an exemption based on medical or religious grounds; and

(2) If Landlord grants Covered Employees an exemption based on medical or religious grounds, Tenant will promptly notify City by completing and submitting the Covered Employees Granted Exemptions Form (“Exemptions Form”), which can be found at <https://sf.gov/confirm-vaccine-status-your-employees-and-subcontractors> (navigate to “Exemptions” to download the form).

**17. No Joint Venture.** This Amendment or any activity by the City hereunder does not create a partnership or joint venture between the City and Landlord relating to the Lease or otherwise. This Amendment does not constitute authorization or approval by the City of any activity conducted by Landlord.

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

**19. General Provisions.** (a) This Amendment may be amended or modified only by a writing signed by Landlord and Tenant. Except as expressly modified or amended herein, the terms, covenants and conditions of the Lease shall remain unmodified and in full force and effect and shall not constitute a waiver of relinquishment of any rights which either Party may have relating to the Lease. (b) No waiver by any Party of any of the provisions of this Amendment shall be effective unless in writing and signed by an officer or other authorized representative, and only to the extent expressly provided in such written waiver. (c) This Amendment has been drafted through a cooperative effort of both Parties, and no Party shall be considered the drafter of this Amendment, 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 Amendment. (d) The Lease as amended by this Amendment (including any exhibit(s), which are hereby made a part of

this Amendment) contains the entire agreement between the parties regarding Tenant's use of the Premises and all prior written or oral negotiations, discussions, understandings, and agreements are merged in the Lease, as amended by this Amendment. (e) The section and other headings of this Amendment are for convenience of reference only and shall be disregarded in the interpretation of this Amendment. (f) Time is of the essence. (g) This Amendment shall be governed by California law. (h) If either Party commences an action against the other or a dispute arises under this Amendment, the prevailing party shall be entitled to recover from the other reasonable attorney's fees and costs, including reasonable attorney's fees and costs on appeal and enforcing any judgment awarded to the prevailing party. (i) This Amendment may be executed in two or more counterparts and by electronic means, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument. (j) Use of the word "including" or similar words will not be construed to limit any general term, statement, or other matter in this Amendment, whether or not language of non-limitation, such as "without limitation" or similar words, are used. (k) The Parties 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.

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

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

Signatures on the next page

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

LANDLORD:

Kristian A. Akseth, as his sole and separate property, owner of thirty-two- and one-half percent (32.5%), Lilly B. Akseth, an individual as owner, as her sole and separate property, owner of thirty-two- and one-half percent (32.5%), LIBKRA INVESTMENT CORPORATION, a California corporation, owner of thirty-five percent (35%)

By: kristian a. akseth  
B7C6F243415B459...  
Kristian A. Akseth  
DocuSigned by:

By: knut a. akseth (for lilly b. akseth)  
DB805967349A48B...  
Lilly B. Akseth  
DocuSigned by:

By: knut a. akseth  
DB805967349A48B...  
LIBKRA INVESTMENT CORPORATION, a  
California corporation  
Its: President

TENANT:

CITY AND COUNTY OF SAN FRANCISCO,  
a municipal corporation

By: \_\_\_\_\_  
Dennis J. Herrera  
General Manager  
San Francisco Public Utilities Commission

APPROVED AS TO FORM:  
DAVID CHIU, City Attorney  
By:

\_\_\_\_\_  
Elizabeth A. Dietrich  
Deputy City Attorney