



**Judicial Council of California
Administrative Office of the Courts
Office of Court Construction and Management
455 Golden Gate Avenue, San Francisco, CA 94102-3688**

For the benefit of the Superior Court of California, County of San Francisco
Location: 575 Polk Street, San Francisco, California

SUBLEASE AGREEMENT

This Sublease Agreement ("**Sublease**") dated DEC 2 2011, is made by and between the Judicial Council of California, Administrative Office of the Courts (the "**AOC**"), and the City and County of San Francisco, a municipal corporation (the "**City**"), for the benefit of the Superior Court of California, City and County of San Francisco ("**Court**"). AOC and City will hereinafter be collectively referred to as the "**Parties**" or individually as a "**Party**."

RECITALS

A. City is tenant under that certain Lease between City and the Mattison Family Trust, a California Trust (the "**Master Landlord**"), dated November 18, 2011 (the "**Master Lease**"), pursuant to which City leases the ground floor portion (the "**Ground Floor**") of a two-story free-standing building located at 575 Polk Street, San Francisco, California (the "**Building**"). The Master Lease further grants City the right to use the portion of the Building mezzanine that is accessible from interior stairs within the Sublease Premises (the "**Mezzanine**"), with no Master Landlord representation regarding the habitability thereof or obligation to provide maintenance or services thereto, and permits the operation of courtrooms and public programs by City, the AOC, or the Superior Court of California for the County of San Francisco at the Ground Floor. A copy of the Master Lease is attached hereto as Exhibit "A" and incorporated herein. Any undefined, initially-capitalized term used in this Sublease shall have the meaning given to such term in the Master Lease.

B. City additionally occupies the second floor portion of the Building (the "**Second Floor**") pursuant a sublease with the California Culinary Academy, LLC, dated March 13, 2008 (the "**CCA Sublease**"). The CCA Sublease is scheduled to expire on the earlier date to occur of (i) the termination of that certain Lease Agreement between CCA and Master Landlord dated as of July 21, 2003, and (ii) March 15, 2013, and City has the right to cause the Master Lease to include the Second Floor (which is defined as the "Expansion Space" in the Master Lease) pursuant to the terms and conditions set forth in Section 22 of the Master Lease.

C. City wishes to sublease to AOC, and AOC wishes to sublease from City, the Ground Floor and the Mezzanine (the "Sublease Premises") subject to the terms and conditions of the Master Lease and this Sublease.

NOW THEREFORE, in consideration of the Sublease Premises subleased to AOC hereunder and the mutual covenants and conditions herein contained, City and AOC hereby agree as follows:

AGREEMENT

1. Sublease. City subleases to AOC, and AOC subleases from City, the Sublease Premises on the terms and conditions in this Sublease; provided, however, that City reserves the sole right to access and use the two holding cells located in the Sublease Premises (the "**Holding Cells**") to facilitate the operations of a community justice court in San Francisco, California.

2. Warranty by City. City warrants to AOC that the Master Lease has not been amended or modified; that to its knowledge, City is not now, and as of the commencement of the term of this Sublease will not be, in default or breach of any of the provisions of the Master Lease; and that City has no knowledge of any claim by Master Landlord that City is in default or breach of any of the provisions of the Master Lease.

3. Term.

3.1 Initial Term. The term of this Sublease ("**Term**") will commence on August 1, 2011 and will terminate on the earlier date to occur of (i) July 31, 2021 (the "**Outside Date**"), subject to any adjustment pursuant to the following paragraph, or (ii) the termination or expiration of the Master Lease; provided, however, that AOC shall have the right to terminate this Sublease at any time for lack of funding due to the State of California's failure to timely approve and adopt a State budget by delivering sixty (60) days' prior written notice of such termination to City, together with documentation reasonably evidencing such matter. AOC shall further have the right to terminate this Sublease as of June 30, 2016 for any reason if AOC delivers written notice of its exercise of such right to City on or before April 30, 2015.

3.2 Additional Term. Subject to the conditions in this Section 3, AOC shall have the right to extend the Outside Date by five (5) years by giving written notice to City of such extension (the "**AOC Notice**") on or before December 15, 2019; provided, however, that if AOC is in material default under this Sublease on the date it delivers the AOC Notice and AOC fails to timely cure such default as provided in this Sublease, City may reject the AOC Notice by delivering written notice thereof to AOC promptly after such failure to cure, and AOC shall have no right to extend the Outside Date.

If AOC timely delivers the AOC Notice to City, and such AOC Notice is not rejected by City pursuant to the foregoing paragraph, City shall timely exercise the Extension Option (as defined in Section 3.3 of the Master Lease). Notwithstanding anything to the contrary in this Section, if Master Landlord rejects City's exercise of the Extension Option or City's Board of Supervisors and Mayor do not duly adopt a resolution approving City's exercise of

the Extension Option during the Board Extension Approval Period (as defined in Section 3.3 of the Master Lease) (the "**Board Approval Requirement**"), the AOC Notice shall be automatically deemed to be revoked and AOC shall have no right to extend the Outside Date. City shall deliver written notice of any Master Landlord rejection of City's exercise of the Extension Option and any satisfaction of the Board Approval Requirement to AOC within ten (10) business days following the date of such occurrence.

If AOC timely delivers the AOC Notice, the Master Landlord does not reject City's exercise of the Extension Option, and the Board Approval Requirement is timely satisfied, the Outside Date shall automatically be revised to be July 31, 2026, and the period commencing on August 1, 2021 and terminating on such revised Outside Date shall be the "**Additional Term**".

4. **Rent.** In consideration of its rights under this Sublease, AOC has authorized City to use its Courthouse Construction Fund to pay all Base Rent (as defined in Section 4.1 of the Master Lease) and Additional Charges (as defined in Section 4.3 of the Master Lease) payable during the initial ten (10) year term of the Master Lease; provided that AOC has not authorized City to use its Courthouse Construction Fund to pay any Additional Charges that are comprised of janitorial or security services provided to the Sublease Premises. If AOC does not authorize City to use its Courthouse Construction Fund to pay all Base Rent and Additional Charges payable during the Extended Term (as defined in the Master Lease), then commencing on July 1, 2021, AOC shall pay to City an amount (the "**Sublease Rent**") equal to Base Rent and Additional Charges paid by City for such month under the Master Lease. Sublease Rent shall be paid in arrears on the last day of each month.

If any Base Rent and Additional Charges paid by City is for the Sublease Premises and the Expansion Space (as defined in the Master Lease), the Sublease Rent shall be adjusted by multiplying the Base Rent for such month by a fraction with a numerator of 16,100 and a denominator of 41,697, and reducing the Additional Charges for such month by the amount of such portion allocated to the provision of services, utilities or Additional Services (as defined in the Master Lease) to the Expansion Space or for the Building elevator.

If Master Landlord delivers any revised good faith estimate of Operating Costs (as defined in Section 4.4 of the Master Lease) and Real Estate Taxes (as defined in Section 4.4 of the Master Lease) to City during the Additional Term without copying AOC on such estimate, City shall deliver a copy to AOC within five (5) business days of City's receipt thereof. If Master Landlord delivers any Landlord Expense Statement (as defined in Section 4.5 of the Master Lease) to City during the Additional Term without copying AOC on such Landlord Expense Statement, City shall deliver a copy to AOC within five (5) business days of City's receipt thereof. If Master Landlord refunds City for any overpayment by City for any Additional Charges pursuant to Section 4.7 of the Master Lease during the Additional Term, City shall deliver such refund (less any audit costs incurred by City in determining such overpayment) to AOC; provided, however, that if such Additional Charge payment was for the Sublease Premises and the Expansion Space, such refund shall be reduced to the amount allocable to the Sublease Premises.

5. **Use of Premises.** AOC may use the Sublease Premises as a courtroom and for office space for personnel of the Superior Court of California for the County of San Francisco

("Court") or any other legal use that is reasonably comparable thereto and complies with the terms and conditions of the Master Lease.

6. Delivery of Premises; Leasehold Improvements. AOC acknowledges that it has had continuous possession of the Sublease Premises since November 14, 2008 and accepts the Sublease Premises in its current as-is condition (the "**Delivery Condition**"). After July 1, 2016, AOC shall have the right to receive the benefit of any leasehold improvements provided by the Master Landlord pursuant to Article 6 of the Master Lease as follows: on or before May 1, 2015, AOC shall deliver written notice (the "**AOC Work Notice**") to City of the leasehold improvement work AOC requests to be performed by Master Landlord in the Sublease Premises (the "**AOC Work**"), which shall include AOC's representation that the anticipated cost of the AOC Work will not exceed the AOC Leasehold Allowance (defined as follows). The "**AOC Leasehold Allowance**" shall be an amount equal to \$54,000 multiplied by a fraction with a numerator of the Adjustment Index (as defined in Section 6.2 of the Master Lease) and a denominator of the Base Index (as defined in Section 6.2 of the Master Lease).

If AOC timely delivers the AOC Work Notice, City shall describe the AOC Work in the Leasehold Work Notice (as defined in Section 6.1 of the Master Lease) and shall obtain AOC's written consent to any plans or specifications prepared by Master Landlord for the AOC Work; provided, however, that if AOC does not deliver written notice of its disapproval of such plans or specifications within fifteen (15) business days of City's delivery thereof to AOC, AOC shall be deemed to have approved of such plans and specifications.

7. Master Lease. All applicable terms and conditions of the Master Lease are incorporated into and made a part of this Sublease as if AOC was the lessee, City was the landlord, the Sublease Premises was the premises, and City's Personal Property was AOC's Personal Property, except for the following articles, sections and exhibits: 1, 3, 4, 5.1, 5.3, 6, 7.1, 7.2, 7.3, 7.4, 8.1, 9.1, 9.2, 9.4, 10.1, 10.2, 12, 13, 14, 15, 16.1, 16.2, 17.1, 17.2, 21.2, 21.3, 22, 23.1, 23.7, 23.8, 23.12, 23.13, 23.18, 23.19, 23.20, 23.23, 23.25, 23.27, 23.31, 23.34, Exhibit B, Exhibit C, Exhibit E and Exhibit F.

AOC assumes and agrees to perform the City's obligations under the Master Lease other than those identified in the foregoing sentence during the Term, except as otherwise expressly set forth in this Sublease. AOC will not commit or suffer any act or omission that will violate any of the provisions of the Master Lease. City shall have no obligation to perform any of the obligations of the Master Landlord under the Master Lease, provided that if AOC delivers written notice to City of the failure of Master Landlord to perform its obligations under the Master Lease, City will exercise reasonable due diligence in attempting to cause Master Landlord to perform its obligations under the Master Lease for the benefit of AOC. If the Master Lease terminates at any time, this Sublease shall automatically terminate as of such termination of the Master Lease and the parties will be relieved of any further liability or obligation under this Sublease. However, if the Master Lease terminates as a result of a default or breach by City or AOC under this Sublease or the Master Lease, the defaulting party will be liable to the non-defaulting party for the actual damages caused by such default or breach (but excluding any consequential or incidental damages).

8. Utilities; Services; Alterations.

8.1 Utilities and Services. If the AOC wishes to directly contract for any of the utilities or services to be provided to the Sublease Premises by Master Landlord pursuant to Section 9.1 of the Master Lease, AOC shall deliver written notice of such matter to the Master Landlord and the City, and AOC shall thereafter obtain such described utility or service at its sole cost. If the AOC wishes to request any additional work or services to the Sublease Premises by Master Landlord pursuant to Section 9.2 of the Master Lease, AOC shall deliver written notice of such matter to the Master Landlord and the City. If Master Landlord agrees to perform such additional services and AOC agrees to the cost of such services, AOC shall reimburse Master Landlord for the pre-approved actual cost of such expenses plus Master Landlord's ten percent (10%) administrative fee for such work or services.

8.2 Alterations. AOC shall not make or permit any alterations to the Sublease Premises or to the Building Systems (as defined in the Master Lease), and shall not make or permit any alterations, installations, additions or improvements, structural or otherwise (collectively, "**Alterations**"), in, to or about the Sublease Premises, without the prior written consent of City and Master Landlord in each instance. All Alterations shall be done at AOC's expense in accordance with plans and specifications approved by City and Master Landlord, only by duly licensed and bonded contractors or mechanics approved by City and Master Landlord, and subject to any conditions that City and Master Landlord may reasonably impose. With respect to any Alterations which would be visible from the exterior of the Building, AOC shall obtain the prior written approval of City's Arts Commission to the extent the Arts Commission has jurisdiction over the design of such proposed alterations under City's Charter Section 5.103. If the cost of any Alterations is in excess of Five Thousand Dollars (\$5,000), then AOC shall pay to City an administrative fee equal to ten percent (10%) of the total "hard" costs of the work to compensate City for the costs of review.

9. Compliance with Disability Laws. AOC shall be responsible for causing the following items in the Sublease Premises to comply with all Disability Laws (as defined in Section 10.2 of the Master Lease): furniture, court seating, benches, specialty (non office) improvements, judge's washrooms, mechanical lifts, any previous tenant improvement or future alterations constructed by the AOC at the Sublease Premises, any furniture, furnishings, equipment, trade fixtures and articles of movable personal property installed in the Sublease Premises by or for the account of AOC and that can be removed without structural damage to the Sublease Premises (collectively, "**AOC's Personal Property**"), and any items at the Building that must be modified to comply with Disability Laws as a result of AOC's use of the Sublease Premises pursuant to this Sublease.

10. Insurance; Post Casualty Rent Abatement.

10.1 Insurance. City acknowledges and accepts that AOC does not maintain commercial insurance coverage for general liability, motor vehicle claims and is an authorized self insurer for workers compensation obligations. AOC acknowledges and agrees that City shall have no obligation to carry any insurance coverage for its obligations under this Sublease or the Master Lease. AOC shall be responsible, at no cost to the City, for separately insuring AOC's Personal Property.

10.2 Abatement of Rent. In the event the Sublease Premises is wholly or partially damaged or destroyed by casualty, any Sublease Rent will be wholly or proportionally abated, as the case may be, to the extent to which the Base Rent or Additional Charges are abated under the Master Lease from the date of the casualty event until the Sublease Premises are again as fully usable by AOC as they were before such partial damage or destruction. AOC acknowledges and agrees that any repairs required to be made by Master Landlord under Article 12 of the Master Lease shall not include, and the Sublease Rent shall not be abated as a result of, any damage by fire or other cause to any of AOC's Personal Property, or any damage caused by the negligence or willful misconduct of AOC or its Agents.

10.3 Repair of Premises by Master Landlord. If the Sublease 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 Master Landlord is required to carry under the Master Lease (excluding any deductible, for which Master Landlord shall be responsible), AOC acknowledges that Master Landlord may terminate the Master Lease by written notice to City within thirty (30) days of the date Master Landlord receives written notice that such damage is not covered by insurance. Such notice from Master Landlord shall include adequate written evidence of the denial of insurance coverage. If Master Landlord does not elect to terminate the Master Lease pursuant to such right, this Sublease shall remain in full force and effect.

If Master Landlord delivers a notice (a "**Master Landlord Repair Notice**") to City that repairs for any casualty to the Sublease Premises cannot be made within the Repair Period (as defined in the Master Lease), City shall promptly deliver a copy of the Master Landlord Repair Notice to the AOC and either City or AOC may terminate this Sublease by delivering written notice of such termination to the other party (a "**Repair Termination Notice**") as of the date specified in the Repair Termination Notice, provided that such date shall be no earlier than thirty-five (35) days nor more than fifty-five (55) days following AOC's receipt of the Master Landlord Repair Notice from City.

If, at any time during the last six (6) months of the term of the Master Lease, but excluding the last six (6) months of the Initial Term (as defined in the Master Lease) if City has exercised the Extension Option, there is substantial damage that Master Landlord would be required to repair under the Master Lease, City or AOC may, at the respective option of each, terminate this Sublease as of the date such damage occurred by giving written notice to the other party of its election to do so within twenty (20) 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 City and AOC each hereby waives and releases any right to terminate this Sublease 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, statute or ordinance now or hereafter in effect, to the extent such rights are inconsistent with the provisions hereof.

11. Eminent Domain.

11.1 Waiver. If there is any Taking (as defined in Section 13.1 of the Master Lease) of all or any part of the Sublease Premises or any interest in this Sublease during the

term hereof, the rights and obligations of the parties hereunder shall be determined pursuant to this Section. City and AOC 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 Sublease 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 hereafter in effect.

11.2 Total Taking. If there is a total Taking of the Sublease Premises, then this Sublease shall terminate as of the Date of Taking (as defined in Section 13.1 of the Master Lease). If there is a Taking of any portion (but less than all) of the Sublease Premises, then this Sublease shall terminate in its entirety if all of the following exist: (i) the partial Taking, in AOC's reasonable judgment, renders the remaining portion of the Sublease Premises untenable or unsuitable for continued use by AOC for its permitted uses or otherwise materially adversely affects AOC's normal operations in the Sublease Premises, (ii) the condition rendering the Sublease Premises untenable or unsuitable either is not curable or is curable but Master Landlord is unwilling or unable to cure such condition, and (iii) AOC elects to terminate.

11.3 Partial Taking. In the case of a partial taking of a substantial portion of the Building, and if Section 11.2 above does not apply, City and AOC shall each have the right to terminate this Sublease by written notice to the other within twenty (20) days after the Date of Taking, provided that, as a condition to AOC's right to terminate, the portion of the Building taken shall, in AOC's reasonable judgment, render the Sublease Premises unsuitable for continued use by AOC for its permitted uses or otherwise materially adversely affect AOC's normal operations in the Sublease Premises. Either party electing to terminate under the provisions of this Section shall do so by giving written notice to the other party before or within twenty (20) days after the Date of Taking, and thereafter this Sublease shall terminate upon the later of the twentieth (20th) day after such written notice is given or the Date of Taking.

11.4 Rent; Award. Upon termination of this Sublease in its entirety pursuant to Section 11.2, or pursuant to an election under Section 11.3 above, then: (a) AOC's obligation to pay Sublease Rent shall continue up until the date of termination and thereafter shall cease, and (b) City shall be entitled to the entire Award (as defined in Section 13.1 of the Master Lease) in connection therewith, except that AOC shall receive any Award made specifically for AOC's relocation expenses or the interruption of or damage to AOC's business or damage to AOC's Personal Property. If there is a partial Taking of the Sublease Premises under circumstances where this Sublease is not terminated in its entirety under Section 11.3 above, then this Sublease shall terminate as to the portion of the Sublease Premises so taken, but shall remain in full force and effect as to the portion not taken, City shall be entitled to the entire Award in connection therewith, provided that AOC shall receive any Award made specifically for AOC's relocation expenses or the interruption of or damage to its business or damage to its Personal Property.

11.5 Temporary Taking. Notwithstanding anything to contrary in this Section, if a Taking occurs with respect to the Sublease Premises for a limited period of time not in excess of sixty (60) consecutive days, this Sublease shall remain unaffected thereby, and AOC shall continue to perform all of the terms, conditions and covenants of this Sublease. In the event of such temporary Taking, AOC shall be entitled to receive that portion of any Award

representing compensation for the use or occupancy of the Sublease Premises during the Term up to the total Sublease Rent, if any, owing by AOC for the Sublease Premises during such period of the Taking.

12. Default.

12.1 Event of Default. Any of the following shall constitute an event of default by AOC hereunder:

(a) AOC fails to make any timely payment of Sublease Rent and to cure such nonpayment within five (5) business days after receipt of written notice thereof from City, provided that an event of default shall not be deemed to occur if AOC is unable to pay any Sublease Rent when due because of the State of California's failure to timely approve and adopt a State budget. If AOC fails to pay any Sublease Rent when due as a result of the State of California's failure to timely approve and adopt a State budget, the AOC shall promptly pay any previously due and unpaid Sublease Rent upon approval and adoption of the State budget.

(b) AOC abandons the Sublease Premises (within the meaning of California Civil Code Section 1951.3).

(c) AOC fails to perform any other covenant or obligation of AOC hereunder (not involving the payment of money) and to cure such non-performance within twenty (20) days of the date of receipt of notice thereof from City, provided that if more than twenty (20) days are reasonably required for such cure, no event of default shall occur if AOC commences such cure within such period and diligently prosecutes such cure to completion.

12.2 Remedies. Upon the occurrence of any event of default by AOC that is not cured within the applicable grace period as provided above, City 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 AOC's right to possession of the Sublease Premises and to recover the worth at the time of award of the amount by which the unpaid Sublease Rent for the balance of the term of this Sublease 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 City to continue this Sublease in effect and to enforce all of its rights and remedies under this Sublease, including the right to recover Sublease Rent as it becomes due, for so long as City does not terminate AOC's right to possession, if AOC has the right to sublet or assign, subject only to reasonable limitations.

13. Surrender. AOC shall perform all obligations of City under Section 20 of the Master Lease as to the Sublease Premises; provided however, that AOC shall have no obligation to remove the Holding Cells.

14. Assignment and Subletting. AOC will not assign this Sublease or further sublet all or any part of the Sublease Premises without the prior written consent of City and Master Landlord; provided, however, that AOC shall have the right to sublease the Sublease Premises to any department or agency of the State of California provided that AOC delivers written notice of such sublease to City and Master Landlord. If City consents to AOC's request enter into a Private Sublease (as defined in Article 14 of the Master Lease), City shall be entitled to receive fifty percent (50%) of any rent or other consideration realized by AOC under any such Private Sublease in excess of the Sublease Rent (or the amount thereof proportionate to the portion of the Sublease Premises subject to such Private Sublease) ("**Bonus Rent**"), which AOC shall pay to City after AOC has recovered its direct costs, including any reasonable brokers' commissions and the cost of any leasehold improvements for such subtenant that AOC incurs, in connection with such Private Sublease. Notwithstanding anything to the contrary in the foregoing sentence, the Bonus Rent shall not exceed nor be less than the additional rent or consideration that City must pay to Master Landlord pursuant to Section 14 of the Master Lease with respect to such Private Sublease.

15. Indemnity.

(a) AOC shall indemnify, defend and hold harmless ("**Indemnify**") City and its employees, representatives, contractors, subcontractors, and agents (collectively "**Agents**") from and against any and all claims, costs and expenses, including, without limitation, reasonable attorneys' fees (collectively, "**Claims**"), incurred as a result of (i) AOC's use of the Sublease Premises, (ii) any default by AOC in the performance of any of its material obligations under this Sublease, or (iii) any negligent acts or omissions of AOC or its Agents in, on or about the Sublease Premises or the Property; provided, however, AOC shall not be obligated to Indemnify City or its Agents to the extent any Claim arises out of the gross 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 AOC hereunder, AOC may, at its sole option, elect to defend such Claim by AOC attorneys, by other attorneys selected by AOC, or both. AOC 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. AOC's obligations under this Section shall survive the termination of this Sublease.

(b) City shall Indemnify AOC and its Agents against any and all Claims incurred as a result of (i) any default by City in the performance of any of its obligations under this Sublease, (ii) any negligent acts or omissions of City or its Agents in, on or about the Sublease Premises or the Property; provided, however, City shall not be obligated to Indemnify AOC or its Agents to the extent any Claim arises out of the negligence or willful misconduct of AOC or its Agent. City shall further Indemnify AOC and its Agents against any and all Claims arising during or after the term of this Sublease (i) related to any incorrect Master Landlord representation or breach of any of Master Landlord's warranties or covenants in Section 21.1 of the Master Lease, or (ii) in connection with the presence or Release of Hazardous Material (each as defined in Section 21.1 of the Master Lease) in the Building or

on, under or about the Property, unless AOC or its Agents caused such presence or Release or AOC had actual knowledge of such presence or Release before the Commencement Date.

In any action or proceeding brought against AOC 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 AOC shall have the right, but not the obligation, to participate in the defense of any such Claim at its sole cost. City's obligations under this Section shall survive the termination of this Sublease.

16. No Broker. City and AOC each warrant that they have not dealt with any real estate broker in connection with this transaction. City and AOC each agree to indemnify, defend, and hold the other harmless against any damages incurred as a result of the breach of the warranty contained in this Sublease.

17. Notices. Every notice required by this Sublease shall be delivered either by (i) personal delivery (including delivery by an overnight courier service which obtains confirmation of receipt) or (ii) postage prepaid return receipt requested certified mail addressed to the party for whom intended at the addresses given below. A party may change its address by written notice to the other party.

If to City: City and County of San Francisco
Attn: Director of Property
Real Estate Division
25 Van Ness Avenue, Suite 400
San Francisco, CA 94102
Telephone: 415-554-9875
Fax: 415-552-4755

With a copy to: City and County of San Francisco
Office of City Attorney
Attn: Real Estate/Finance Team
City Hall, Room 234
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102
Telephone: 415-554-4700
Fax: 415-554-4755

If to AOC: Administrative Office of the Courts
Office of Court Construction and Management
Attn: Portfolio Administration Analyst
455 Golden Gate Avenue
San Francisco, CA 94102-3688
Telephone: 415-865-5334
Fax: 415-865-4986

With a copy to:

Administrative Office of the Courts
Office of Court Construction and Management
Attn: Manager, Real Estate
455 Golden Gate Avenue
San Francisco, CA 94102-3688
Telephone: 415-865-4048
Fax: 415-865-4986

In addition, all notices relating to termination of the Sublease or an alleged breach or default by AOC must also be sent to:

Administrative Office of the Courts
455 Golden Gate Avenue
San Francisco, CA 94102-3688
Attention: Senior Manager, Business Services
Telephone: 415-865-4090
Fax: 415-865-4326

18. Successors and Assigns. This Sublease will be binding on and inure to the benefit of the parties to it, their heirs, executors, administrators, successors in interest, and assigns.

19. Attornment. If the Master Lease terminates, AOC will, if requested, attorn to Master Landlord and recognize Master Landlord as City under this Sublease, provided that this Sublease shall be automatically amended as of such attornment date so all obligations of Master Landlord to City under the Master Lease shall be incorporated in this Sublease and shall become the obligations of Master Landlord to AOC under this Sublease. However, AOC's obligation to attorn to Master Landlord will be conditioned on AOC's receipt of a non-disturbance agreement.

20. Entry. City reserves the right to enter the Sublease Premises on reasonable advance written notice to AOC and Court to inspect the Sublease Premises or the performance by AOC of the terms and conditions of this Sublease. In an emergency, no notice will be required for entry. AOC acknowledges that Master Landlord has reserved the right to enter the Sublease Premises under Section 18 of the Master Lease and this Sublease is expressly subject to such reserved right of Master Landlord.

21. Entire Agreement. This Sublease sets forth all the agreements between City and AOC concerning the Sublease Premises, and there are no other agreements either oral or written other than as set forth in this Sublease.

22. Consent by Master Landlord. This Sublease will have no effect unless consented to by Master Landlord within thirty (30) days after its execution. City shall use commercially reasonable best efforts to obtain the consent of the Master Landlord within such 30-day period.

23. Governing Law. This Sublease will be governed by and construed in accordance with California law without regard to conflict of law rules.

24. Controller's Certification of Funds. The terms of this Sublease shall be governed by and subject to the budgetary and fiscal provisions of the City's Charter. Notwithstanding anything to the contrary contained in this Sublease, there shall be no obligation for the payment or expenditure of money by City under this Sublease or the Master Lease unless the Controller of the City and County of San Francisco first certifies, pursuant to Section 3.105 of the 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. Without limiting the foregoing, if in any fiscal year of City after the fiscal year in which the Term commences, sufficient funds for the payment of any payments required of City under this Sublease or the Master Lease are not appropriated, then City may terminate this Sublease, without penalty, liability or expense of any kind to City, as of the last date on which sufficient funds are appropriated. City shall use its reasonable efforts to give AOC reasonable advance notice of such termination.

25. Attorneys' Fees. If either AOC or City fails to perform any of its obligations under this Sublease or a dispute arises concerning the meaning or interpretation of any provision of this Sublease, 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 Sublease, 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, and reasonable attorneys' fees of the attorneys of the AOC 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 services of the AOC's attorneys were rendered who practice in the City of San Francisco in law firms with approximately the same number of attorneys as employed by the AOC. 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.

26. Holding Over. If AOC holds over in possession of the Sublease Premises after the expiration of the Term with City's consent, such holding over shall not be deemed to extend the Term or renew this Sublease, 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 Sublease.

27. No Relocation Assistance; Waiver of Claims. AOC acknowledges that it will not be a displaced person at the time this Sublease is terminated or expires by its own terms, and AOC fully RELEASES, WAIVES AND DISCHARGES forever any and all liabilities, losses, costs, claims, judgments, settlements, damages, liens, fines, penalties and expenses, including,

without limitation, direct and vicarious liability of every kind against, and covenants not to sue, City, its departments, commissions, officers, directors and employees, and all persons acting by, through or under each of them, under any laws, including, without limitation, any and all claims for relocation benefits or assistance from City under federal and state relocation assistance laws (including, but not limited to, California Government Code Section 7260 *et seq.*), except as otherwise specifically provided in this Sublease with respect to a Taking.

28. Pesticide Prohibition. AOC shall comply with the provisions of Section 308 of Chapter 3 of the San Francisco Environment Code (the "**Pesticide Ordinance**") which (i) prohibit the use of certain pesticides on City owned or leased property, (ii) require the posting of certain notices and the maintenance of certain records regarding pesticide usage and (iii) require AOC to submit to City's Director of Property an integrated pest management ("**IPM**") plan that (a) lists, to the extent reasonably possible, the types and estimated quantities of pesticides that AOC may need to apply to the Sublease Premises during the terms of this Sublease, (b) describes the steps AOC will take to meet the City's IPM Policy described in Section 300 of the Pesticide Ordinance and (c) identifies, by name, title, address and telephone number, an individual to act as the AOC's primary IPM contact person with the City. In addition, AOC shall comply with the requirements of Sections 303(a) and 303(b) of the Pesticide Ordinance.

29. Non-Discrimination. In the performance of this Sublease, AOC and City each agree not to discriminate against any of its respective employees, any City employee working with AOC, any AOC or Court employee working with the City, any applicant for employment with AOC, Court or City or 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.

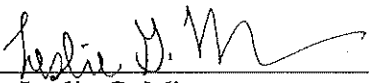
30. Successors and Assigns. Subject to the provisions of Section 14 relating to assignment and subletting, the terms, covenants and conditions contained in this Sublease shall bind and inure to the benefit of City and AOC and, except as otherwise provided herein, their personal representatives and successors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

31. Quiet Enjoyment and Title. City covenants and represents that it has full right, power and authority to grant the subleasehold estate hereunder, and covenants that AOC, upon paying the Rent (if any) payable hereunder and performing the covenants hereof, shall peaceably and quietly have, hold and enjoy the Sublease Premises and all appurtenances during the full term of this Sublease as against all persons or entities claiming by and through City or on account of any action, inaction or agreement of City or its Agents. Without limiting the provisions of Section 15(b), City agrees to Indemnify AOC and its Agents against Claims arising out of any assertion that would interfere with AOC's right to quiet enjoyment as provided in this Section.

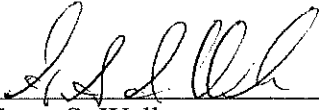
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IN WITNESS WHEREOF, the parties have executed this Sublease as of the date first above written.

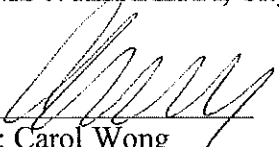
APPROVED AS TO FORM:
Administrative Office of the Courts,
Office of the General Counsel

By: 
Name: Leslie G. Miessner
Title: Supervising Attorney
Date: 11/17/11

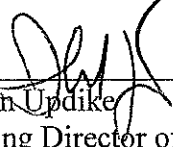
AOC: JUDICIAL COUNCIL OF
CALIFORNIA, ADMINISTRATIVE OFFICE
OF THE COURTS

By: 
Name: Grant S. Walker
Title: Senior Manager, Business Services
Date: 11/28/11

APPROVED AS TO FORM:
DENNIS J. HERRERA, City Attorney

By: 
Name: Carol Wong
Title: Deputy City Attorney
Date: 03/13/12

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

By: 
Name: John Updike
Title: Acting Director of Property
Date: 3-13-12

MASTER LANDLORD'S CONSENT TO SUBLEASE

The undersigned ("**Master Landlord**"), lessor under the Master Lease, consents to the Sublease without waiver of any restriction in the Master Lease concerning further assignment or subletting. Master Landlord certifies that, as of the date of Master Landlord's execution, City is not in default or breach of any of the provisions of the Master Lease, and that the Master Lease has not been amended or modified except as expressly set forth in the Sublease. Landlord's approval is given with the explicit acknowledgement and agreement that City shall remain primarily and directly liable to Master Landlord for performance and payment of all tenant responsibilities and obligations under the Master Lease, notwithstanding any provisions of this Sublease.

MASTER LANDLORD:

The Mattison Family Trust, a California Trust

By: 
J. Stanley Mattison

Its: Trustee

Date: March, 16, 2012

EXHIBIT A
MASTER LEASE

(See Attached)

LEASE

between

MATTISON FAMILY TRUST,

as Landlord

and

CITY AND COUNTY OF SAN FRANCISCO,

as Tenant

For the lease of
575 Polk Street
San Francisco, California

November 18, 2011