

File No. 250270

Committee Item No. 1

Board Item No. 18

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget and Finance Committee

Date April 9 2025

Board of Supervisors Meeting

Date April 15, 2025

Cmte Board

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Completed by: Brent Jalipa

Date April 3, 2025

Completed by: Brent Jalipa

Date April 10, 2025

1 [Real Property Lease - Chinatown Community Children’s Center - \$1 Annual Base Rent]

2

3 **Resolution approving a Lease with the Chinatown Community Children’s Center for**
4 **approximately 6,372 square feet of real property located in City Hall and its grounds**
5 **appurtenant, at a base rent of \$1 per year; authorizing the Director of Property, upon**
6 **receipt of approved permits for the construction of tenant improvements to the leased**
7 **premises, to execute a lease on behalf of the City and County of San Francisco for an**
8 **initial 10-year term, with two-10 year options to renew; and authorizing the Director of**
9 **Property to enter into any additions, amendments, or other modifications to the Lease,**
10 **that do not materially increase the obligations or liabilities of the City, in order to**
11 **effectuate the purposes of the Lease or this Resolution.**

12

13 WHEREAS, The City desires to make a supportive child care amenity (“Child Care
14 Services”) available to employees at City Hall (“the Building”), other City-occupied buildings
15 and residents in the community; and

16 WHEREAS, The Real Estate Division (“RED”) issued a Request for Proposals (“RFP”)
17 for a licensed Child Care operator (“Operator”) to operate and manage a Child Care Center to
18 be located at the Building; and

19 WHEREAS, The non-profit Chinatown Community Children’s Center (“CCCC” or
20 “Tenant”) was selected as the most qualified and well-regarded of respondents to the RFP;
21 and

22 WHEREAS, CCCC uses an inclusion specialist to ensure that a quality, inclusive
23 environment is available to children with disabilities and their families; and

24

25

1 WHEREAS, CCCC has partnered with local agencies offering education-related
2 services, including the Community Alliance for Special Education (CASE), and the San
3 Francisco Unified School District; and

4 WHEREAS, CCCC has contracted with the San Francisco Early Learning Alliance
5 (SFELA) for enrolling low-income families; and

6 WHEREAS, CCCC has provided RED with a detailed business plan to be implemented
7 at the Building; and

8 WHEREAS, CCCC proposes to lease 4,372 square feet located on both sides of the
9 North Vestibule entrance to the Building, and approximately 2,000 square feet of a designated
10 outdoor play area located on the north side of the building (“Premises”); and

11 WHEREAS, RED issued a permit in February of 2024 for CCCC, its architects and
12 consultants, to conduct due diligence for planning the design, construction and permitting of a
13 Child Care Center; and

14 WHEREAS, CCCC will submit schematic, design development and construction
15 documents, developed at its cost, to RED and the permitting agencies for approval; and

16 WHEREAS, CCCC would pay a nominal \$1 per year base rent for the Premises, as
17 has been the practice for the lease with the previous child care operator at City Hall and other
18 City-occupied buildings; and

19 WHEREAS, RED will provide electrical, water, custodial, repair and maintenance
20 services at no additional cost to CCCC; now, therefore, be it

21 RESOLVED, The Board of Supervisors finds that leasing sub-market rate space to
22 CCCC at City Hall offers a convenient income-scaled option for childcare and supplementary
23 services, furthers a proper public purpose for the residents and City workers of the Civic
24 Center community; and, be it

1 FUTURE RESOLVED, That upon confirmation that permits have been issued to
2 CCCC, the Director of Property is authorized to enter into a lease without requirement for an
3 additional vote of the Board; and, be it

4 FURTHER RESOLVED, That CCCC may undertake tenant improvement construction,
5 at its cost, following full lease execution; and, be it

6 FURTHER RESOLVED, That RED, at City cost, will undertake any repairs,
7 maintenance and connections of the Building's systems to facilitate the construction of tenant
8 improvements by CCCC and provide base building services to the Premises; and, be it

9 FURTHER RESOLVED, That approved modifications to the base building systems will
10 be undertaken by the City at Tenant's cost; and, be it

11 FURTHER RESOLVED, That the Director of Property is authorized to enter into any
12 amendments or modifications to the Lease that are determined, in consultation with the City
13 Attorney, to be in the City's best interest, do not materially increase the obligations or liabilities
14 of the City, are necessary or advisable to effectuate the purposes of the lease or this
15 Resolution, and are in compliance with all applicable laws, including the City Charter; and, be
16 it

17 FURTHER RESOLVED, That all actions heretofore taken by the officers of the City
18 with respect to the Lease are hereby approved, confirmed and ratified; and, be it

19 FURTHER RESOLVED, That within thirty (30) days of the Lease being fully-executed
20 by all parties, RED shall provide a copy to the Clerk of the Board for inclusion into the official
21 file.

1 RECOMMENDED:

2 /s/ _____
3 Andrico Q. Penick
4 Real Estate Division
5 Director of Property

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Item 1 File 25-0270	Department: City Administrator, Real Estate Division
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EXECUTIVE SUMMARY

Legislative Objectives

- The proposed resolution would approve a childcare lease between the City and Chinatown Community Children’s Center for space at City Hall, for an initial term of ten years with two ten-year options to extend, and annual base rent of \$1.

Key Points

- Between 2002 and 2021, Marin Day Care operated a childcare program at City Hall. In August 2023, the Real Estate Division (RED) issued a Request for Proposals to solicit proposals from childcare providers to operate a childcare facility at City Hall. Two entities submitted proposals: Chinatown Community Children’s Center and JoJo’s Playhouse. Chinatown Community Children's Center was the highest scoring proposer and was awarded the lease. This non-profit operates two other childcare facilities in Chinatown in North Beach, funded by the Department of Early Childhood.
- The lease requires the tenant to pay for improvements to the space, which are still being developed. The lease will start once the tenant has received construction permits from the Department of Building Inspection, estimated to occur in October 2026. Construction is expected to take place between October 2026 and October 2027, with childcare operations commencing October 2027. The proposed resolution states that the Board of Supervisors authorizes the Director of Property to execute the proposed lease once the construction permits have been issued.
- The childcare program at City Hall will serve approximately 36 children (8 infants, 12 toddlers and 16 preschoolers) and be open to City employees and the general public. The Department of Early Childhood (DEC) will provide tuition subsidies for eligible families based on their income.

Fiscal Impact

- The proposed lease has a \$1 annual rent for the initial ten-year term. The lease also requires the City to provide janitorial services, estimated at \$30,000 per year initially, to cover the cost of utilities, and to provide security, which is provided for all City Hall tenants by the Sheriff’s Office. The cost estimates for the security and utilities are not known at this time.
- If all families received full tuition subsidies, we estimate the cost to DEC would be approximately \$1.2 million starting in 2027. Such costs would likely be funded by Commercial Rent Tax revenues.

Policy Consideration

- The proposed rent of \$1 per year is consistent with the solicitation used to award this lease and with the prior childcare license for the space. Based on the City’s recent lease transactions in the area, we estimate the market rate for the space is \$40 per square foot or approximately \$200,000 per year after including the outdoor play space.

Recommendation

- Approve the proposed resolution.

MANDATE STATEMENT

Administrative Code Section 23.30 states that the Board of Supervisors shall approve all leases on behalf of the City as landlord by resolution for which the term is longer than a year and costs over \$15,000 per month. Such leases of City-owned property can be for less than market rent if the lease is for a proper public purpose with Board of Supervisors' approval.

BACKGROUND**Childcare at City Hall**

In 2002, the City and Marin Day Care, a non-profit, entered into a license agreement for Marin Day Care to use space at City Hall for a childcare operation for up to 49 children. The fee for using the space was \$1 per year and the license had an initial one-year term, with automatic one-year renewals each year. In February 2021, Marin Day notified the City it would not renew the term of the license. According to RED, the operation was no longer financially feasible due to COVID-restrictions and associated changes to behavior at the time. Marin Day Care has since been purchased by a for-profit entity, which did not respond to the solicitation to identify a new childcare operator for this space.

Request for Proposals

In August 2023, the Real Estate Division (RED) issued a Request for Proposals to solicit proposals from childcare providers to operate a childcare facility at City Hall. Proposals were evaluated based on their written proposal (50 points), cost (25 points), and oral interview (25 points), for a maximum of 100 points. The scoring panel consisted of three staff from the Department of Early Childhood, City Administrator, and Low Income Investment Fund. Two entities submitted proposals: Chinatown Community Children's Center, which scored 83 points, and JoJo's Playhouse, which scored 64 points. Chinatown Community Children's Center was the highest scoring proposer and was awarded the lease. This non-profit operates two other childcare facilities in Chinatown in North Beach, funded by the Department of Early Childhood.

DETAILS OF PROPOSED LEGISLATION

The proposed resolution would approve a childcare lease between the City and Chinatown Community Children's Center for space at City Hall, for an initial term of ten years with two ten-year options to extend, and annual base rent of \$1. The resolution also authorizes changes to the lease that do not materially increase the obligations or liabilities of the City.

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

Exhibit 1: Key Terms of Proposed Lease

Address	1 Dr. Carlton B. Goodlett Place
Premises	6,372 square feet (4,372 square feet for childcare space, 2,000 square feet for outdoor play space)
Initial Term	10 Years
Options to Extend	Two 10-year options to extend
Initial Annual Base Rent	\$1
Rent Escalation	No annual escalation. Rent may be increased to market rate when an option to extend the lease term is exercised.
Utilities	Paid by City
Janitorial & Security	Paid by City
Building Systems Maintenance	Paid by City
Tenant Improvements	Paid by City if improvement is to achieve Building Code compliance. Other tenant improvements will be paid for the tenant.

Source: Proposed lease

Rent

An appraisal for the hotel was not required under Administrative Code Section 23.27 because the proposed annual rent is less than \$45 per square foot. The proposed rent is \$1 per year, which is below market rate. Such a lease is permissible, but only if the Board of Supervisors adopts a resolution with a finding that a below market rate lease serves a public purpose. At the recommendation of the Budget & Legislative Analyst, the Real Estate Division will request an amendment to the proposed resolution to state that proposed below market rate rent for the initial ten-year term serves a public purpose.

The lease allows, but does not require, the Director of Property to increase the rent to market rate rent if either of the optional term extensions are exercised.

Tenant Improvements

The total cost of the tenant improvements is not known, as the design of the improvements is still under development. An initial analysis of the space, program design, and test fit has been completed. The cost of the improvements will be funded by the tenant, except for changes to building systems to comply with Building Code requirements.

In February 2024, the Real Estate Division executed a revocable permit with the tenant, Chinatown Community Children’s Center, to allow them to access the site to perform due diligence work.

Exhibit G of the lease includes a timeline for the tenant improvements. According to that schedule, construction is expected to take place between October 2026 and October 2027, with childcare operations commencing October 2027.

Conditional Board Approval

Section 3.1 of the lease states that the lease will start once the tenant has received construction permits from the Department of Building Inspection, estimated to occur in October 2026. The proposed resolution states that the Board of Supervisors authorizes the Director of Property to execute the proposed lease once the construction permits have been issued.

Childcare Services

As noted above, the Real Estate Division selected Chinatown Community Children’s Center for the proposed lease following a competitive solicitation process. The childcare program at City Hall will serve approximately 36 children (8 infants, 12 toddlers and 16 preschoolers) and be open to City employees and the general public. The Department of Early Childhood (DEC) will provide tuition subsidies for eligible families based on their income.

In FY 2024-25, DEC’s Early Learning for All program provides a 100% tuition subsidy to families earning up to 110% AMI (\$164,850 for a family of four) and a 50% tuition subsidy for families earning between 111% and 150% AMI (\$224,800 for a family of four). Early leaning tuition rates in FY 2024-25 are \$36,327 for infants, \$27,676 for toddlers, and \$25,385 for preschoolers. Families must be San Francisco residents.

Further detail on the program design is included in Exhibit F of the proposed lease.

Fiscal Monitoring

Chinatown Community Children's Center was not reviewed as part of the City’s non-profit fiscal and compliance monitoring program in the past three years. However, DEC provided the organization’s latest tax filings (the Form 990 for FY 2023-24), which shows that CCCC had positive growth in net assets between June 2023 and June 2024 and had a cash balance equivalent to 15 months of annual expenses, both good indicators of financial health. The tax data does not provide any information on the organization’s internal controls.

FISCAL IMPACT

The proposed lease has a \$1 annual rent for the initial ten-year term. The lease also requires the City to provide janitorial services, estimated at \$30,000 per year initially, to cover the cost of utilities, and to provide security, which is provided for all City Hall tenants by the Sheriff’s Office. The City may also incur costs to make changes to the building systems serving the space in order to be compliant with Building Code requirements. The cost estimates for the security, utilities, and building system upgrades are not known at this time. Any building system upgrades are likely to be minimal as the site was used as a childcare facility up until 2021.

In addition, DEC will provide tuition subsidies for eligible families. Based on the program design and if all families received full tuition subsidies, we estimate the cost to DEC would be approximately \$1.2 million starting in 2027. Such costs would likely be funded by Commercial Rent Tax revenues.

POLICY CONSIDERATION

The proposed rent of \$1 per year is consistent with the solicitation used to award this lease and with the prior childcare license for the space. Based on the City's recent lease transactions in the area, we estimate the market rate for the space is \$40 per square foot or approximately \$200,000 per year after including the outdoor play space. Because the City advertised a below market rate rent, it would likely have to fund a change to proposed rent to market rate. Such an increase could potentially be funded by DEC with Commercial Rent Tax revenues and benefit the General Fund. If the Board of Supervisors wishes to pursue to arrange, it should not accept the proposed amendment to the resolution that establishes the below market rate rent.

RECOMMENDATION

Approve the proposed resolution.

LEASE

between

CITY AND COUNTY OF SAN FRANCISCO,
as Landlord

and

Chinatown Community Children's Center,
as Tenant

For the lease of

Premises, Suites 068 and 080, and Outdoor Premises, Children's Play Area
at
City Hall
1 Dr. Carlton B. Goodlett Place,
San Francisco, California 94102

February 1, 2025

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- A.3. TENANT FIT DIAGRAM**
- B. NOTICE OF COMMENCEMENT DATE**
- C. STANDARD UTILITIES AND SERVICES**
- D. RULES AND REGULATIONS**
- E. FIRST SOURCE HIRING PROGRAM**
- F. PROGRAM OPERATIONS AND SERVICES**
- G. SCHEDULE**

THIS LEASE (this “**Lease**”), dated for reference purposes only as of February 1, 2025, is between the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation (“**City**”), and Chinatown Community Children’s Center, a Public Benefit Nonprofit Corporation (“**Tenant**”).

City and Tenant hereby covenant and agree as follows:

1. BASIC LEASE INFORMATION

The following is a summary of basic lease information (the “**Basic Lease Information**”). Each item below incorporates all of the terms in this Lease related 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:	February 1, 2025
Landlord	CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation
Tenant	Chinatown Community Children’s Center, a Public Benefit Non-Profit Corporation.
Building (Section 2.1)	City Hall, located at 1 Dr Carlton B Goodlett Place, San Francisco, California 94102
Premises (Section 2.1)	Space on the Ground floor, designated as Suites 068 and 080, depicted on Exhibit A.1 (“As Is Premises Plan – Interior”) , and the designated children’s play area on the McAllister Street side of the exterior property grounds appurtenant to the Building (“ Children’s Play Area ”), depicted on Exhibit A.2 .
Rentable Area of Premises	Approximately 6,372 rentable square feet.
Term (Section 3)	10 Years. Estimated commencement date: October 5, 2026; estimated expiration date: October 4, 2036
Base Rent (Section 4.1)	Annual Base Rent: \$1.00.
Use; Program Operations and Services (Section 5.1; Exhibit F)	Daytime childcare services for City employees and residents as specified in Exhibit F.
Tenant Improvements Design and Construction (Section 6)	See Section 6.

Repairs and Maintenance (Section 8) City responsible for mechanical, electrical and plumbing maintenance and repair

Utilities and Services (Section 10; Exhibit C): Electricity and water, at City expense.

Janitorial Service (Exhibit C) Tenant responsibility for janitorial and cleaning services.

Security Deposit (Section 23) None.

City's Notice Address (Section
Real Estate Division
25 Van Ness Avenue, Suite 400
San Francisco, California 94102
Attn: Director of Property
Re: Chinatown Community Children's
Center, City Hall
Fax No.: (415) 552-9216

and to
Office of the City Attorney
City Hall, Room 234
1 Dr. Carlton B. Goodlett Place
San Francisco, California 94102-4682
Attn: Real Estate & Finance Group
Re: Chinatown Community Children's
Center, City Hall
Fax No.: (415) 554-4757

Key Contact for City:
Building Manager, City Hall
1 Dr Carlton B Goodlett Place
San Francisco, CA 94102-4682

Telephone No.: (415)554-7441

Alternate Contact for City:

Telephone No.:

Tenant's Notice Address (Section
Chinatown Community Children's Center
979 Clay Street
San Francisco, CA 94108

Key Contact for Tenant:
Anne Kwong
Executive Director
Chinatown Community Children's Center
979 Clay Street, SF, CA 94108
Anne Kwong <anne@childrencenter.org>

Alternate Contact for Tenant:

Telephone No.: 415-986-2528
 Brokers (Section 28.8) None
 Other Noteworthy Provisions: None.

2. PREMISES; AS IS CONDITION

2.1. Lease Premises

Subject to the provisions of this Lease, City leases to Tenant and Tenant leases from City those premises containing 4,372 square feet located in suites 068 and 080 on the Ground Floor of City Hall and approximately 2,000 square feet of usable outdoor play area, accessible via the McAllister Street entrance to the Building, identified in the Building identified in the Basic Lease Information (the “**Building**”) and shown on the floor plan(s) attached as Exhibit A.1 (the “**As Is Premises Plan - Interior**”) and Exhibit A.2 (“**Children’s Play Area**”). The Premises are located on the floor(s) of the Building specified in the Basic Lease Information. The rentable area of the Premises specified in the Basic Lease Information will be conclusive for all purposes. The Building, the land on which the Building is located, and all other improvements on and appurtenances to the land are referred to collectively as the “**Property.**” Tenant has the non-exclusive right to use, together with 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.

Accessibility Disclosures

(a) 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.”

Landlord and Tenant agree that if Tenant desires to have the Premises inspected by a CASp, then (1) Tenant will cause the inspection to occur within thirty (30) days after the Effective Date; (2) the inspection will occur during business hours on a business day; (3) Tenant will give Landlord five (5) business days prior written notice of the inspection time and date; (4) Landlord may attend the inspection; (5) the inspection may not include any destructive testing or damage to the Premises or the Building; (6) Tenant will pay for all inspection costs (including

fees for any reports prepared by the CASp (collectively, the "**CASp Reports**"). Tenant will deliver any CASp Reports to Landlord within three (3) business days after Tenant's receipt. Tenant, will be solely responsible at Tenant's cost for making improvements, alterations, modifications, and/or repairs to or within the Premises to correct violations of construction-related accessibility standards disclosed by the CASp inspection. If the CASp inspection identifies any improvements, alterations, modifications, and/or repairs necessary to correct violations of construction-related accessibility standards relating to items of the Building or the Project located outside the Premises that are Landlord's obligation to repair under this Lease, then Landlord will perform the improvements, alterations, modifications, and/or repairs as and to the extent required by applicable Laws, and Tenant will reimburse Landlord for the cost of the improvements, alterations, modifications, and/or repairs within ten (10) business days after Tenant's receipt of an invoice from Landlord.

(b) Tenant acknowledges that before the execution of this Lease, City provided Tenant with, and Tenant signed, the Disability Access Obligations Notice described in Section 38.3 of the San Francisco Administrative Code. Tenant and City each agree to use reasonable efforts to notify the other party if making any Alterations (as defined in Section 7 (Tenant's Alterations)) that might impact accessibility to the Premises under any disability access Legal Requirements (as defined in Section 11) (Compliance with Laws).

2.2. As Is Condition

TENANT ACKNOWLEDGES AND AGREES THAT THE PREMISES ARE BEING LEASED AND ACCEPTED IN THEIR "AS IS" CONDITION, WITHOUT REPRESENTATION OR WARRANTY OF ANY KIND, AND SUBJECT TO ALL APPLICABLE LEGAL REQUIREMENTS (AS DEFINED IN SECTION 11 (COMPLIANCE WITH LAWS) BELOW) GOVERNING THEIR USE, OCCUPANCY, AND POSSESSION. TENANT REPRESENTS AND WARRANTS TO CITY THAT TENANT HAS INVESTIGATED AND INSPECTED, EITHER INDEPENDENTLY OR THROUGH AGENTS OF TENANT'S OWN CHOOSING, THE CONDITION OF THE PREMISES AND THE SUITABILITY OF THE PREMISES FOR TENANT'S INTENDED USE. BASED SOLELY ON ITS OWN INVESTIGATION, TENANT HAS DETERMINED THAT THE PREMISES ARE SUITABLE FOR TENANT'S BUSINESS AND INTENDED USE. TENANT ACKNOWLEDGES AND AGREES THAT NEITHER CITY NOR ANY OF ITS AGENTS (AS DEFINED IN SECTION 28.5 (PARTIES AND THEIR AGENTS, APPROVALS) BELOW) HAVE MADE, AND CITY DISCLAIMS, ANY REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, CONCERNING THE RENTABLE AREA OF THE PREMISES, THE PHYSICAL OR ENVIRONMENTAL CONDITION OF THE PREMISES OR THE PROPERTY, THE PRESENT OR FUTURE SUITABILITY OF THE PREMISES FOR TENANT'S BUSINESS, OR ANY OTHER MATTER WHATSOEVER RELATING TO THE PREMISES, INCLUDING ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

2.3. Energy Consumption Disclosure

Tenant consents to Tenant's utility service providers disclosing energy use data for the Premises to City for use under California Public Resources Code Section 25402.10, as implemented under California Code of Regulations Title 20, Sections 1680–1685, and San Francisco Environment Code Chapter 20, as each may be amended from time to time ("**Energy Consumption Reporting Laws**"), and for such data to be publicly disclosed under the Energy Consumption Reporting Laws.

3. TERM

3.1. Lease Term

Tenant has provided a Schedule, dated February 4, 2025, attached as Exhibit G ("**Schedule**"), which references a "Permitting" date of October 5, 2026, and a "Potential Opening Date" of October 4, 2027. Notwithstanding reference to an estimated commencement date or expiration date in the Basic Lease Information, the Lease will commence the day Tenant

receives approved permits from the Department of Building Inspection (“**DBI**”) and any other approvals required by a City agency (“**Commencement Date**”) prior to beginning construction of tenant improvements (“**Tenant Improvement Construction**”) and, unless sooner terminated as provided in this Lease, will expire ten (10) years from the Commencement Date (“**Lease Term**”). The Term may be extended as provided in Section 27.1 (Extension Option). City will deliver the Premises to Tenant on the Commencement Date (defined in Section 3 (Confirmation of Commencement Date and Expiration Date below) in their then existing as-is condition as provided above, with no obligation of City to make any improvements, repairs, or alterations.

3.2. Confirmation of Commencement Date and Expiration Date

Promptly following establishment of the Commencement Date, as defined in Section 3.1, Tenant will deliver to City a notice substantially in the form attached as Exhibit B, confirming the actual Commencement Date, but Tenant’s failure to do so will not affect the commencement of the Term.

3.3. Delay in Delivery of Possession

If City is unable to deliver possession of the Premises in as-is condition to Tenant on or before the Estimated Commencement Date, then the validity of this Lease will not be affected and City will not be liable to Tenant for any Claims (as defined in Section 18 (Waiver of Claims; Indemnification)) resulting from the delay, and Tenant waives all provisions of any Legal Requirements to the contrary. In that case, the Term and regular payments of Base Rent and Additional Charges will not commence until City delivers possession of the Premises. If the Term commences later or earlier than the Estimated Commencement Date, this Lease will nevertheless expire on the Expiration Date, unless sooner terminated under this Lease.

3.4. Delays Caused by Tenant

Notwithstanding anything to the contrary above, if City’s inability to deliver possession of the Premises on the Estimated Commencement Date results from Tenant’s or its Agents’ acts or omissions, then Base Rent and Additional Charges payable by Tenant will commence on the date when City would have delivered possession of the Premises but for those acts or omissions.

4. RENT

4.1. Base Rent

Throughout the Term beginning on the Commencement Date, Tenant will pay to City the annual Base Rent specified in the Basic Lease Information, which shall be paid to City in advance, without prior demand (the “Base Rent”). Base Rent will be inclusive of property taxes, property insurance and building systems and equipment maintenance, which shall be defined as elevators, heating, cooling, plumbing, electrical, weatherproofing, and structural systems; but shall exclude interior finishes, furniture, appliances, equipment, outdoor play equipment, computers, Wi-Fi access point, cardkey access devices inside the suite, security cameras, audio-visual equipment, and phones). Adjustments in Base Rent

4.2. Intentionally Omitted.

4.3. Additional Charges

Tenant will pay to City all charges and other amounts required under this Lease as additional rent, whether or not those amounts are specifically characterized as rent (collectively, “**Additional Charges**”). All Additional Charges will be payable to City at the same place and the same manner as the Base Rent. City will 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 term “**Rent**” means Base Rent and Additional Charges.

4.4. Late Charges

Intentionally Omitted.

4.5. Default Interest

Intentionally omitted.

4.6. Costs of Collection

Intentionally omitted.

5. USE

5.1. Permitted Use

Tenant will use and continuously occupy the Premises during the Term solely as a childcare facility for use by teachers, children and associated administration in instruction, supervised play, assessments, food preparation and directly related services, further for general office use detailed in **EXHIBIT F**, “Program Operations and Services.” and for the uses, if any, as specified in the Basic Lease Information (the “**Permitted Use**”), and for no other purpose. Tenant acknowledges that this prohibition on a change in use is expressly authorized by California Civil Code Section 1997.230 and is fully enforceable. Program Operations and Services

As a condition precedent to City’s selection of Tenant to lease the premises to Tenant, Tenant agrees to provide the full scope of services described in **Exhibit F** during the Lease Term.

5.2. No Unlawful Uses, Nuisances or Waste

Without limiting the foregoing, Tenant may not use, occupy, or permit the use or occupancy of any of the Premises in a manner that would violate any Legal Requirements or for any illegal purpose, or permit any offensive, noisy, or hazardous use or any waste on or about the Premises. Tenant will take all precautions to eliminate any nuisances or hazards relating to its activities on or about the Premises. Tenant may not conduct any business, place any sales display, or advertise in any manner in areas outside the Premises, Building, or on or about the Property except identification signs in a location and size and design approved by City in its sole discretion.

6. TENANT IMPROVEMENT DESIGN AND CONSTRUCTION

6.1. Design Documents

Tenant’s Childcare Space Fit Diagram, prepared by Dorman Associates, dated July 15, 2024, is attached as Exhibit A.3 (“**Tenant Fit Diagram**”). As a condition precedent to City’s execution of this Lease, Tenant has submitted to City and City has approved Tenant’s designs for the Premises, specifically, (a) Schematic Design, (b) Design Development documents and (c) Construction Documents, (collectively “**Design Documents**”). Tenant has borne the costs of producing the Design Documents, which are not reimbursable by City.

6.2. Tenant Improvement Construction

Tenant Improvement Construction shall be performed by Tenant at its sole cost and in accordance with (1) the approved Design Documents and (2) only after Tenant’s receipt of all permits and other required approvals required by City and state agencies having jurisdiction for Tenant Improvement Construction. No Tenant Improvement Construction may commence in the Premises prior to Tenant’s receipt of approved permits and any other approvals by a City agency so required. Tenant may not make any material changes to the approved Construction Documents

or consent to any change order during the course of construction without first obtaining City's written approval. Tenant will ensure that its Tenant Improvement Construction does not obstruct access to or through the Building, including the Common Area, and does not interfere with City business, other tenants' use of their premises, or any other work being done in the Building. Tenant will deliver a copy of the approved Construction Documents to City upon completion of Tenant Improvement Construction for its records.

City will make repairs and modifications to Building Systems, at its cost, insofar as such are needed to ensure the deigned performance specifications and regulatory compliance for any new use of the premises, regardless of type. City will also make reasonable Building or Building Systems modifications, at Tenant's cost, required for regulatory compliance with Tenant's use of Premises as a Childcare Center.

Tenant's Schedule estimates construction will begin upon a "Permitting End Date" of October 5, 2026, and end by a "Potential Opening Date" of October 4, 2027. If Tenant anticipates a change to its schedule, Tenant will notify City of the new estimated dates, and will, thereafter, keep City apprised of any further changes to the Schedule. In the event Tenant experiences unreasonable delays in inspections by DBI, City will use its best efforts to facilitate expedition of those inspections, but Tenant acknowledges that DBI has ultimate responsibility for scheduling its inspections. Notwithstanding anything to the contrary in this Lease, City reserves the right to terminate the Lease in the event Tenant Improvement Construction has not started by January 1, 2027, or the Opening Date is later than January 1, 2028.

6.3. Local Hiring Requirements

(a) Any undefined, initially-capitalized term used in this Section has the meaning given to that term in San Francisco Administrative Code Section 23.62 (the "**Local Hiring Requirements**"). Tenant Improvements and Alterations are subject to the Local Hiring Requirements unless the cost for the work is (i) estimated to be less than \$750,000 per building permit or (ii) meets any of the other exemptions in the Local Hiring Requirements. Tenant will comply with the Local Hiring Requirements to the extent applicable. Before starting any Tenant Improvement Work or any Alteration, Tenant will contact City's Office of Economic Workforce and Development ("**OEWD**") to verify if the Local Hiring Requirements apply to the work (i.e., whether the work is a "**Covered Project**").

(b) In any contract for a Covered Project, Tenant will include, and will require its subtenants to include, a requirement to comply with the Local Hiring Requirements with specific reference to San Francisco Administrative Code Section 23.62. Each contract will name the City and County of San Francisco as a third party beneficiary for the limited purpose of enforcing the Local Hiring Requirements, including the right to file charges and seek penalties. Tenant will cooperate, and require its subtenants to cooperate, with City in any action or proceeding against a contractor or subcontractor that fails to comply with the Local Hiring Requirements when required. Tenant's failure to comply with its obligations under this Section will constitute a material breach of this Lease. A contractor's or subcontractor's failure to comply with this Section will enable City to seek the remedies specified in San Francisco Administrative Code Section 23.62 against the breaching party.

6.4. Prevailing Wages and Working Conditions

(a) Any undefined, initially-capitalized term used in this Section has the meaning given to that term in San Francisco Administrative Code Section 23.61. Tenant will require its Contractors and Subcontractors performing (i) labor in connection with a "public work"

as defined under California Labor Code Section 1720 *et seq.* (which includes certain construction, alteration, maintenance, demolition, installation, repair, carpet laying, or refuse hauling work if paid for in whole or part out of public funds) or **(ii)** Covered Construction, at the Premises to **(A)** pay workers performing that 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**”). Tenant will cooperate with City in any action or proceeding against a Contractor or Subcontractor that fails to comply with the Prevailing Wage Requirements.

(b) Tenant will include, and will require its subtenants, and Contractors and Subcontractors (regardless of tier), to include in any Construction Contract the Prevailing Wage Requirements, with specific reference to San Francisco Administrative Code Section 23.61, and the agreement to cooperate in City enforcement actions. Each Construction Contract will name the City and County of San Francisco, affected workers, and employee organizations formally representing affected workers as third-party beneficiaries for the limited purpose of enforcing the Prevailing Wage Requirements, including the right to file charges and seek penalties against any Contractor or Subcontractor in accordance with San Francisco Administrative Code Section 23.61. Tenant’s failure to comply with its obligations under this Section will constitute a material breach of this Lease. A Contractor’s or Subcontractor’s failure to comply with this Section will enable City to seek the remedies specified in San Francisco Administrative Code Section 23.61 against the breaching party. For the current Prevailing Rate of Wages, see www.sfgov.org/olse or call City’s Office of Labor Standards Enforcement at 415-554-6235.

(c) Tenant will also pay, and will require its subtenants, and Contractors and Subcontractors (regardless of tier) to pay, the Prevailing Rate of Wage for the following activities on the Premises as set forth in and to the extent required by San Francisco Administrative Code Chapter 21C: a Public Off-Street Parking Lot, Garage or Automobile Storage Facility (as defined in Section 21C.3), a Show (as defined in Section 21C.4), a Special Event (as defined in Section 21C.8), Broadcast Services (as defined in Section 21C.9), Commercial Vehicles, Loading and Unloading for Shows and Special Events (as defined in Section 21C.10), and Security Guard Services for Events (as defined in Section 21C.11).

7. ALTERATIONS

7.1. Tenant’s Alterations

(a) General. Tenant will not make or permit any alterations, installations, additions, or improvements, structural or otherwise (collectively, “**Alterations**”) **(i)** in, to or about the Premises **(ii)** to the Building or **(iii)** to the heating, ventilating, air conditioning, plumbing, electrical, fire protection, life safety, security, and other mechanical, electrical, or communications systems of the Building (“**Building Systems**”), without City’s prior written consent in each instance. Alterations necessitated by tenant improvement work first approved by City will be done at City’s expense in accordance with plans and specifications prepared or approved by City, only by duly licensed and bonded contractors or mechanics selected or approved by City, and subject to any conditions that City may impose in its sole discretion. With respect to any Alterations that would be visible from the exterior of the Building, Tenant will obtain the prior written approval of City’s Arts Commission to the extent the Arts Commission has jurisdiction over the design of the 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 Tenant will pay to City an administrative fee equal to ten percent (10%) of the total “hard” costs of the work to compensate City for its review costs.

(b) Asbestos. Without limiting anything in this (No Hazardous Materials) below, if it is determined that asbestos-containing materials (“ACM”) exist in or about the Premises, Tenant will ensure that all Alterations and any asbestos-related work, as defined in California Health & Safety Code Section 25914.1(b), is performed in compliance with all Legal Requirements relating to asbestos, including California Occupational Safety and Health (OSHA) regulations found in Title 8 of the California Code of Regulations, Sections 1502 and 1529. Additionally, Tenant will distribute notifications to all employees and contractors as required under California Health & Safety Code Section 25915 et seq. informing them of the existence of ACM and that moving, drilling, boring, or otherwise disturbing ACM may present a health risk and should not be attempted by an unqualified employee. No Alterations affecting ACM-containing areas or any asbestos related work may be performed without City’s prior written consent in each instance.

(c) Prevailing Wage and Local Hiring Requirements. Tenant and its subtenants will comply with the applicable requirements of Section 6.3 (Local Hiring Requirements) and Section 6.4 (Prevailing Wages and Working Conditions) above in the performance of any Alterations.

7.2. Title to Improvements

Except for Tenant’s Personal Property (as described in the next section), or as may be specifically provided to the contrary in the approved Plans, all appurtenances, fixtures, improvements, equipment, additions, and other property attached or affixed to or installed in the Premises at the Commencement Date or during the Term, including the Tenant Improvements and any Alterations, will be and remain, City’s property. Tenant may not remove any City property at any time during or after the Term unless City so requests as further provided in Section 24 (Surrender of Premises).

7.3. Tenant’s Personal Property

Tenant is responsible for providing all personal property including, but not limited to furniture, trade fixtures, office equipment, and articles of movable items, including children’s furniture (indoor and outdoor), storage furniture, office furniture, appliances, audio-visual equipment, area rugs, and security devices within the Premises (collectively, “**Tenant’s Personal Property**”). All Personal Property installed in the Premises by or for the account of Tenant, without expense to City, and that can be removed without structural or other damage to the Premises will be and remain, Tenant’s property. Tenant may remove its Personal Property at any time during the Term, subject to the provisions of Section 24 (Surrender of Premises) below. Tenant will pay any taxes or other impositions levied or assessed on Tenant’s Personal Property, at least ten (10) days before delinquency, and, on request, deliver satisfactory evidence of that payment to City.

7.4. City’s Alterations of the Building and Building Systems

City reserves the right at any time to make alterations, additions, repairs, deletions, or improvements to the Common Areas or any other part of the Building or the Building Systems, provided that the alterations or additions do not materially adversely affect the functional utilization of the Premises for the Permitted Use.

7.5 Regulatory Authority

No approval by City or any of its Agents of any changes of any Alterations under this Lease will be deemed to constitute approval of any federal, state, or local regulatory authority with jurisdiction over the Premises or Tenant’s use of the Premises, and nothing in this Lease limits Tenant’s obligation to obtain all needed regulatory approvals at no cost to City.

8. REPAIRS AND MAINTENANCE

8.1. City's Repairs

City will repair and maintain the structural portions of the Building, including the Building Systems, the elevators, and the Common Areas; provided, however, Tenant will reimburse City for any damage, excluding normal wear and tear, caused by any act or omission of Tenant, its Agents, or its Invitees. In making those repairs, City may use structures in the Premises where reasonably required, provided that the work may not block the main entrance to the Premises or unreasonably interfere with Tenant's business. Tenant waives any claim for damages for any injury or inconvenience to or interference with Tenant's business, any loss of occupancy or quiet enjoyment of the Premises, or any other loss occasioned thereby.

8.2. Tenant's Repairs

At no expense to City, Tenant will maintain (and replace, if necessary) the Premises (including the floors, interior plumbing, electrical wiring, fixtures, equipment and, in the Children's Play Area, landscaping, play structures and finishes, gates, gate hardware, fencing, fence coverings and safety features) in good repair and working order and in a clean, secure, safe, and sanitary condition. Tenant will promptly make all repairs and replacements: **(a)** at no cost to City, **(b)** by licensed contractors or qualified mechanics approved by City, **(c)** so that the repairs and replacements will be at least equal in quality, value, and utility to the original work or installation, **(d)** using equipment and materials in a manner that will not interfere with or impair the operations, use, or occupation of the Building or the Building Systems, and **(e)** in accordance with any applicable Building Rules and Regulations (as defined in Section 22, (Rules and Regulations)) and all applicable Legal Requirements. If the cost of any those repairs or replacements is in excess of Five Thousand Dollars (\$5,000) in any instance and results from the acts or omissions of Tenant, its Agents, or Invitees, then Tenant will pay to City an administrative fee equal to ten percent (10%) of the total "hard" costs of the work. Tenant hereby waives all rights to make repairs at City's expense under Sections 1941 and 1942 of the California Civil Code or under any similar Legal Requirements. Tenant will give to City at least fifteen (15) days' prior written notice of commencement of any repair, replacement, or construction on the Premises. Replacements costing over \$5,000 will be considered an Alteration and Article 7 above will apply.

9. LIENS AND ENCUMBRANCES

9.1. Liens

Tenant will keep the Premises and the rest of the Property free from any liens arising out of any work performed, material furnished, or obligations incurred by or for Tenant. If, within five (5) days after the imposition of any lien, Tenant does not cause the lien to be released of record by payment or posting a bond, then, in addition to all other remedies, City may, but is not obligated to, cause the lien to be released in any way it deems proper, including payment of the claim giving rise to the lien. All sums paid by City and all expenses incurred by it in connection with releasing the lien (including reasonable attorneys' fees) will be payable by Tenant to City on demand. City may post on the Premises any notices that City may deem proper for the protection of City, the Premises, and the Building from mechanics' and material supplier's liens. Tenant will indemnify, defend, and hold City and its Agents harmless from and against any claims for mechanic's, material supplier's, or other liens in connection with any Alterations, repairs, or construction on the Premises, or materials furnished or obligations incurred by or for Tenant.

9.2. Encumbrances

Tenant may not create, permit, or suffer any liens or encumbrances affecting any portion of the Premises, the Property, or City's interest in the Property or under this Lease.

10. UTILITIES AND SERVICES

10.1. Utilities and Services

City will provide the basic Building utilities and services described in the attached **Exhibit D** (the “Standard Utilities and Services”) to the Premises, excluding the Children’s Play Area, subject to the terms and conditions stated in **Exhibit D**. At no cost to City, Tenant will be responsible for furnishing any utilities or services that Tenant may need for its use of the Premises other than or in excess of the Standard Utilities and Services. Tenant acknowledges that natural gas or propane service and plumbing may not be installed in the Building, except as specifically provided in San Francisco Environment Codes Section 706.

10.2. Water and Energy Conservation; Mandatory or Voluntary Restrictions

If any Legal Requirements impose mandatory or voluntary controls on City or any part of the Property relating to the use or conservation of energy, water, gas, light, or electricity or the reduction of automobile or other emissions, or the provision of any other utility or service provided with respect to this Lease, or if City is required or elects to make alterations to any part of the Building to comply with mandatory or voluntary controls or guidelines, then that compliance and making of any related alterations will not entitle Tenant to any damages, relieve Tenant of the obligation to pay the full Rent or to perform each of its other covenants under the Lease, or constitute or be construed as a constructive or other eviction of Tenant. At any time, City may install a water meter in the Premises or to otherwise measure the amount of water consumed on the Premises, and Tenant will pay for the cost of the meter or other means of measurement and its installation and maintenance.

10.3. Excess Use

If Tenant requires any utilities or services to be provided by City in excess of the Standard Utilities and Services for the Premises, Tenant will first procure City’s written consent, which City may give, condition, or withhold in its sole discretion. If City consents, then Tenant will pay to City, as Additional Charges, the cost of the excess usage. City’s failure to bill Tenant for excess utilities or services will not impair City’s right to bill Tenant for the costs at a later date. Without limiting the foregoing, Tenant will not: **(a)** connect or use any apparatus, device, or equipment that will require a dedicated circuit or that will impair the proper functioning or capacity of the Building Systems; or **(b)** connect any apparatus, device, or equipment through electrical outlets except in the manner the outlets are designed and without the use of any device intended to increase the plug capacity of any electrical outlet (such as power strips); or **(c)** maintain at any time an electrical demand load over any amount specified in the Rules and Regulations. If, at any time, City has reason to believe that Tenant may be using any utility or service in excess of the amount allowed to the Premises under the Standard Building Utilities or Services, City may install a separate meter in the Premises or to take other appropriate steps to measure the amount of utility or service used in the Premises, and Tenant will pay for the cost of the meter or other means of measurements, and its installation and maintenance.

10.4. Floor Load

Tenant will not place or install in the Premises any equipment that weighs more than the normal load-bearing capacity of the floors of the Building without City’s prior written consent, which City may give, condition, or refuse in its sole discretion. If City consents to the placement or installation of any overweight equipment in the Premises, Tenant will reinforce the floor of the Premises, at no cost to City, under plans and specifications approved by City and otherwise in compliance with Section 7 (Tenant’s Alterations), to the extent necessary to assure that no damage to the Premises or the Building or weakening of any structural supports will occur because of Tenant’s overweight equipment.

10.5. Interruption of Services

City’s obligation to provide utilities and services for the Premises are subject to the Rules and Regulations of the Building, applicable Legal Requirements (including the rules or actions of

the public utility company furnishing the utility or service), and shutdowns for maintenance and repairs, for security purposes, or because of acts of nature, accidents, epidemics and related governmental orders and requirements, repairs, strikes, lockouts, other labor disputes, protests, riots, demonstrations, inability to obtain utilities or materials, or other causes beyond City's control. In the event of an interruption in, or failure or inability to provide any service or utility for the Premises for any reason, then the interruption, failure, or inability will not constitute an eviction of Tenant, constructive or otherwise, or impose on City any liability whatsoever, including liability for consequential damages or loss of business by Tenant; but if the interruption, failure, or inability impairs Tenant's ability to carry on its business in the Premises for five (5) or more consecutive business days, then Tenant will have the right, as Tenant's sole remedy, to abate the Rent in an amount calculated by City based on the extent the interruption, failure, or inability impairs Tenant's ability to carry on its business in the Premises. Tenant hereby waives the provisions of California Civil Code Section 1932(1) or any other applicable Legal Requirements permitting the termination of this Lease due to the interruption, failure, or inability.

10.6. Capital Improvements

Tenant will reimburse City for its pro rata share of the reasonable cost of any capital improvements made to the Building as a labor-saving or energy saving device or to effect other economies in the operation or maintenance of the Building, or made to the Building after the date of this Lease that are required under any Legal Requirement that was not applicable to the Building at the time that permits for the construction were obtained. The cost will be amortized over a reasonable period as determined by City.

11. COMPLIANCE WITH LEGAL REQUIREMENTS AND RISK MANAGEMENT REQUIREMENTS

11.1. Compliance with Legal Requirements

At no cost to City, Tenant will promptly comply with all present or future federal, state, local, and administrative laws, ordinance, resolution, regulation, requirement, proclamation, order, or decree of any municipal, county, state, or federal government or other governmental or regulatory authority, board of fire underwriters, or any directive or occupancy certificate issued under any law by any public officer or officers acting in their regulatory capacity (now or later in effect, collectively "**Legal Requirements**") relating to the Premises or the Property or the use or occupancy of the Premises and with any and all recorded covenants, conditions, and restrictions affecting all or any portion of the Property, whether in effect at the time of the execution of this Lease or adopted or recorded at any time later and whether or not they were considered by the parties in negotiating this Lease. It is Tenant's obligation, at no cost to City, to cause the Premises and Tenant's uses thereof to be conducted in compliance with the Americans With Disabilities Act, 42 U.S.C. Section 12101 et seq. and any other applicable disability access Legal Requirements. Tenant will not be required to make any structural Alterations in order to comply with disability access Legal Requirements unless the Alterations are required, in whole or in part, directly or indirectly, by the Tenant Improvements or any other Alterations, Tenant's use of the Premises, or any act or omission of Tenant, its Agents, or Invitees. Any Alteration made by or on behalf of Tenant under the provisions of this Section will comply with the provisions of Section 8.2 (Tenant's Repairs) above. Tenant's obligation to comply with all Legal Requirements is a material part of the bargained-for consideration under this Lease. Tenant's obligation under this Section includes its responsibility to make substantial or structural repairs and Alterations to the Premises (including any of the Tenant Improvements or any of Tenant's Alterations), regardless of, among other factors, the relationship of the cost of curative action to the Rent under this Lease, the length of the then remaining Term, the relative benefit of the repairs to Tenant or City, the degree to which the curative action may interfere with Tenant's use or enjoyment of the Premises, the likelihood that the parties contemplated the particular Legal Requirements involved, and whether the Legal Requirements involved are related to Tenant's particular use of the Premises.

11.2. Regulatory Approvals

(a) Responsible Party. Tenant's use of the Premises and construction of the Tenant Improvements permitted hereunder may require authorizations, approvals, or permits from governmental regulatory agencies with jurisdiction over the Premises. Tenant is solely responsible for obtaining all regulatory approvals. Tenant may not seek any regulatory approval without first obtaining City's written consent. Tenant will bear all costs associated with applying for and obtaining any regulatory approval and is solely responsible for satisfying any and all conditions imposed by regulatory agencies as part of a regulatory approval; provided, however, any condition that could affect use or occupancy of the Property or City's interest in the Property will first be approved by City in its sole discretion. Tenant will immediately pay and discharge any fines or penalties levied as a result of Tenant's failure to comply with the terms and conditions of any regulatory approval, and City will have no liability, monetary or otherwise, for any fines or penalties. Tenant will Indemnify City and the other Indemnified Parties (defined in Section 18.2 (Tenant's Indemnity) below) against all Claims arising in connection with Tenant's failure to obtain or failure by Tenant, its Agents, or its Invitees to comply with the terms and conditions of any regulatory approval.

(b) City Acting as Owner of Real Property. City is entering into this Lease in its capacity as a property owner with a proprietary interest in the Premises and not as a regulatory agency with police powers. Nothing in this Lease will limit in any way Tenant's obligation to obtain any required approvals from City officials, departments, boards, agencies, commissions, or other body having jurisdiction over the Premises. By entering into this Lease, City is not modifying or limiting Tenant's obligation to cause the Premises to be used and occupied in accordance with all applicable Legal Requirements.

11.3. Compliance with City's Risk Management Requirements

Tenant will not do anything, or permit anything to be done, in or about the Premises that would be prohibited by or increase rates under a standard form fire insurance policy or subject City to potential premises liability. At no cost to City, Tenant will faithfully observe any and all requirements of City's Risk Manager with respect to Tenant's use and occupancy of the Premises.

12. SUBORDINATION

This Lease is and will be subordinate to any reciprocal easement agreement, ground lease, facilities lease, or other underlying lease and the lien of any mortgage or deed of trust and all renewals, modifications, consolidations, replacements, and extensions of any of the foregoing, that may now exist or later be executed by City affecting the Property or City's interest in the Property, without the necessity of executing any instrument to effectuate the subordination. Notwithstanding the foregoing, City or the holder will, in its respective discretion, may elect not to subordinate those interests to this Lease. If 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, Tenant will attorn to City's successor-in-interest, if desired by the successor-in-interest. The provisions of this Section are self-operative and no further instrument will be required. On City's demand, however, Tenant will execute and deliver any additional documents in the form requested by City evidencing the priority or subordination of this Lease.

13. INABILITY TO PERFORM

No actual or constructive eviction, in whole or in part, will entitle Tenant to any abatement or reduction of Rent or relieve Tenant from any of its obligations under this Lease. If City is unable to perform or is delayed in performing any of City's obligations under this Lease by reason of acts of nature, accidents, epidemics and related governmental orders and requirements, repairs, strikes, lockouts, other labor disputes, protests, riots, demonstrations, inability to obtain utilities or

materials, or by any other reason beyond City's reasonable control, then that inability or delay will not constitute an eviction under this Lease, or impose any liability on City or its Agents because of the inconvenience, annoyance, interruption, injury, or loss to or interference with Tenant's business or use and occupancy or quiet enjoyment of the Premises or any other loss or damage due to City's inability or delay. Tenant waives and releases any right to terminate this Lease under Section 1932, subdivision 1 of the California Civil Code or any similar Legal Requirements.

14. DAMAGE AND DESTRUCTION

14.1. Damage and Destruction

(a) If the Premises or the Building is damaged by fire or other casualty, then City will repair the damage if (i) City does not elect to terminate the Lease (which City may do by giving written notice to Tenant of its election to do so within thirty (30) days after the date of the damage) and (ii) that funds for the repairs are appropriated by City's Board of Supervisors, in its sole discretion, for that purpose, and (iii) City determines that the repairs can be made within two hundred ten (210) days after the date of the damage (the "**Repair Period**"). If those conditions are satisfied, this Lease will remain in full force and effect and, unless the damage was caused by Tenant's default of its obligations under this Lease, City will proportionately reduce the Base Rent between the date of the damage and the date the repairs are substantially completed based on the extent that the damage and the repairs materially interfere with Tenant's Permitted Use of the Premises.

(b) If City does not initially elect to terminate this Lease, City will use reasonable efforts to notify Tenant within ninety (90) days after the date of the damage whether or not the repairs can be made within the Repair Period, and City's determination will be binding on Tenant. If the repairs cannot be made within the Repair Period, City will have the option to notify Tenant of: (i) City's intention to repair the damage and diligently prosecute the repairs to completion within a reasonable period after the Repair Period, subject to the Board of Supervisor's appropriation of all necessary funds, in which case this Lease will continue in full force and effect and the Base Rent will be reduced as provided in subsection 14.1(a) above; or (ii) City's election to terminate this Lease as of the date specified in the notice, which date may not be less than thirty (30) or more than sixty (60) days after City gives the notice. In addition, if the Premises or the Building is substantially damaged or destroyed and City intends to rebuild for public purposes inconsistent with this Lease, then City may terminate this Lease on written notice to Tenant. If City terminates this Lease, then the Base Rent will be reduced as provided in subsection 14.1(a) above, and Tenant will pay that reduced Base Rent between the date of the damage and the termination date.

(c) If, at any time during the last twelve (12) months of the Term, the Premises or the Building is damaged or destroyed, then either City or Tenant may terminate this Lease by giving written notice to the other party of its election to do so within thirty (30) days after the date of the occurrence of the damage; provided, however, Tenant may terminate only if the damage or destruction substantially impairs its use or occupancy of the Premises for the Permitted Use. The effective date of termination will be specified in the termination notice; which date may not be more than thirty (30) days after the date the notice is given.

(d) Notwithstanding anything to the contrary in this Lease, City will have no obligation to repair the Premises or the Building if the damage or destruction is attributable to any act or omission of Tenant, its Agents, or Invitees. City will never be required to repair any damage

to Tenant's Personal Property or any paneling, decorations, railings, floor coverings, or any Tenant Improvements or Alterations installed or made on the Premises by or at the expense of Tenant.

14.2. Waiver

City and Tenant intend that this Section fully governs if there is any damage or destruction and accordingly, City and Tenant each waives the provisions of Section 1932, subdivision 2, Section 1933, subdivision 4 and Sections 1941 and 1942 of the Civil Code of California or under any similar Legal Requirements.

15. EMINENT DOMAIN

If the Premises or any portion of it is taken under the power of eminent domain or sold under threat of exercise of eminent domain (collectively, "**Condemnation**") this Lease will terminate as to the part taken as of the date the condemning authority takes title or possession, whichever occurs first. Each party will promptly notify the other of any pending or threatened Condemnation. If more than 10% of the Premises or convenient access to the Premises is taken by Condemnation, then either party may, at its option, terminate this Lease by giving written notice to the other party within ten (10) days after receiving any resolution of necessity (or notice of any similar action by the condemning authority) ("**Condemnation Notice**") regarding a pending or threatened Condemnation. If all or any portion of the Building is taken by Condemnation, then, at its option, City may terminate this Lease by giving written notice to Tenant within thirty (30) days after receiving Condemnation Notice. Any termination will be effective the earlier of thirty (30) days after the termination notice and the date the condemning authority takes title or possession, whichever occurs first. If neither party terminates this Lease, then this Lease will remain in full force and effect as to the portion of the Premises remaining, and City will proportionally reduce Base Rent. Condemnation awards will be City's property, whether the award is made as compensation for the reduction in value of the leasehold, the value of the part taken, or for severance damages, but Tenant may petition for a separate award for Tenant's relocation expenses or Tenant's Personal Property. All Alterations or improvements made to the Premises will be considered City's property for the purposes of any Condemnation and City will be entitled to the Condemnation award. If this Lease is not terminated under this paragraph, then City will repair any damage to the Premises caused by the Condemnation.

City and Tenant intend that the provisions of this Section govern fully in the event of a Condemnation and accordingly, the parties each waive 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 Legal Requirements.

16. ASSIGNMENT AND SUBLETTING

16.1. Restriction on Assignment and Subletting

Tenant may not directly or indirectly (including by merger, acquisition, or other transfer of any controlling interest in Tenant), voluntarily or by operation of law, sell, assign, encumber, pledge, or otherwise transfer any part of its interest in or rights with respect to the Premises or its leasehold estate hereunder (collectively, an "**Assignment**"), or permit or license any portion of the Premises to be used or occupied by anyone other than itself, or sublet any portion of the Premises (collectively, "**Sublease**"). Tenant may not Assign this Lease or Sublet any or all portions of the Premises to any Tenant's Affiliate (as defined below) without first obtaining City's consent, which will be provided or withheld by City, in its sole and absolute discretion, by giving City written notice of its intent thereof at least twenty-five (25) business days before the proposed effective date of the transfer. Without limitation, and by way of example only, City's consent may be conditioned upon the experience, resources, staff and management of Tenant's Affiliate to provide the same or greater level, array and quality of services as those provided by Tenant. As used in this Section, the term "**Tenant's Affiliate**" means any of the following:

(a) any person or entity owning, directly or indirectly, fifty percent (50%) or more of the ownership interests of Tenant (an “**Owning Person**”), (b) any entity, fifty percent (50%) or more of the ownership interests of which are owned, directly or indirectly, by any Owning Person, (c) any entity, fifty percent (50%) or more of the ownership interests of which are owned, directly or indirectly, by Tenant. Tenant will provide any Assignment and Sublease documents (whether City’s consent is required or not) to the City Assessor-Recorder within sixty (60) days of execution of such document, as provided in Section 29.2 below.

17. DEFAULT; REMEDIES

17.1. Events of Default

Any of the following will constitute an event of default (the “**Event of Default**”) by Tenant under this Lease:

(a) a failure to pay Base Rent or Additional Charges when due that continues for three (3) days after the date of City’s written notice, but City will not be required to provide notice more than twice during any twelve (12)-month period, and any failure by Tenant after Tenant has received two (2) notices in a twelve (12)-month period will constitute an Event of Default by Tenant under this Lease without any further notice from City or opportunity for Tenant to cure except as may be required by Section 1161 of the California Code of Civil Procedure;

(b) a failure to comply with any other covenant, condition, representation, or warranty made under this Lease that continues for fifteen (15) days after the date of written notice by City, provided that if the default is not capable of cure within the fifteen (15)-day period, Tenant will have a reasonable period to complete the cure if Tenant promptly undertakes action to cure the default within the fifteen (15)-day period and thereafter diligently prosecutes the same to completion within sixty (60) days after the receipt of City’s notice of default. City will not be required to provide a written notice of default more than twice in any twelve (12)-month period for any material non-monetary defaults and after the second notice in any twelve (12)-month period, any subsequent failure by Tenant during that twelve (12)-month period will constitute an Event of Default;

(c) a vacation or abandonment of the Premises for a continuous period in excess of eight (8) business days;

(d) the appointment of a receiver to take possession of all or substantially all of Tenant’s assets, or an assignment by Tenant for the benefit of creditors, or any action taken or suffered by Tenant under any insolvency, bankruptcy, reorganization, moratorium, or other debtor relief act or statute, whether now existing or hereafter amended or enacted, if the receiver, assignment, or action is not released, discharged, dismissed, or vacated within sixty (60) days;

(e) the recession, revocation or non-renewal of Tenant’s licensing, certification or accreditation to operate a child day care center or facility;

(f) notwithstanding any provision to the contrary in this section, failure of Tenant to maintain the standards required by any regulatory authority having jurisdiction over the operation of s child day care center or facility;

(g) failure of Tenant to perform its services in a manner consistent with the “best practices” or “guidelines” for professional practice as set forth by recognized industry or professional organizations or associations which publicize corresponding principles and standards to their membership; or

(h) failure of Tenant to provide the scope, level and quality of services specified by Tenant's Program Operations and Services at San Francisco City Hall (Exhibit F), except as provided for in subsection 17.1 (f).

17.2. Remedies

On the occurrence of an Event of Default City will have the following remedies, which are not exclusive but are cumulative and in addition to any other remedies now or later allowed by law or in equity:

City may terminate Tenant's right to possession of the Premises at any time by written notice to Tenant. Tenant expressly acknowledges that in the absence of a written notice from City, no other act of City, including its re-entry into the Premises, its efforts to relet the Premises, its reletting of the Premises for Tenant's account, its storage of Tenant's Personal Property and trade fixtures, its acceptance of keys to the Premises from Tenant, its appointment of a receiver, or its exercise of any other rights and remedies under this Section, or otherwise under Legal Requirements, will constitute an acceptance of Tenant's surrender of the Premises or constitute a termination of this Lease or of Tenant's right to possession of the Premises.

(a) On a written termination of Tenant's right to possession of the Premises, this Lease will terminate and City will be entitled to recover damages from Tenant as provided in California Civil Code Section 1951.2 or any other applicable existing or future Legal Requirement providing for recovery of damages for a breach, including the following:

- (i) The reasonable cost of recovering the Premises; plus
- (ii) The reasonable cost of removing Tenant's Alterations, trade fixtures, and improvements; plus
- (iii) All unpaid Rent due or earned under this Lease before the date of termination, less the proceeds of any reletting or any rental received from subtenants before the date of termination, together with interest at the Interest Rate, on those amounts from the date the Rent is due and payable until the date of the award of damages; plus
- (iv) The amount by which the Rent which would be payable by Tenant under this Lease, as reasonably estimated by City, from the date of termination until the date of the award of damages, exceeds the amount of the rental loss that Tenant proves could have been reasonably avoided, together with interest at the Interest Rate on those amounts from the date the Rent is due and payable until the date of the award of damages; plus
- (v) The amount by which the Rent which would be payable by Tenant under this Lease, as reasonably estimated by City, for the remainder of the Term, after the date of the award of damages exceeds the amount the rental loss that Tenant proves could have been reasonably avoided, discounted at the discount rate published by the Federal Reserve bank of San Francisco for member banks at the time of the award plus one percent (1%); plus
- (vi) Other amounts in addition to or in lieu of the foregoing as may be permitted from time to time by applicable Legal Requirements, including any other amount necessary to compensate City for all the detriment proximately caused by Tenant's failure to perform its obligations under this Lease that, in the ordinary course of things, would be likely to result therefrom.

(b) City has the remedy described in California Civil Code Section 1951.4 (a landlord may continue the lease in effect after the tenant's breach and abandonment and recover

rent as it becomes due, if the tenant has the right to sublet and assign subject only to reasonable limitations), and may continue this Lease in full force and effect and may enforce all of its rights and remedies under this Lease, including the right to recover Rent as it becomes due. After the occurrence of an Event of Default, City may enter the Premises without terminating this Lease and sublet all or any part of the Premises for Tenant's account to any person, for a term (which may be a period beyond the remaining Term), at rents, and on other terms and conditions that City deems advisable. If City sublets, rents received by City from the subletting will be applied **(i)** first, to the payment of the costs of maintaining, preserving, altering, and preparing the Premises for subletting, the other costs of subletting, including brokers' commissions, attorneys' fees, and expenses of removal of Tenant's Personal Property, trade fixtures, and Alterations; **(ii)** second, to the payment of Rent then due and payable under this Lease; **(iii)** third, to the payment of future Rent as it becomes due and payable under this Lease; and **(iv)** fourth, the balance, if any, will be paid to Tenant on (but not before) expiration of the Term. If the rents received by City from any subletting, after application as provided above, are insufficient in any month to pay the Rent due under this Lease for the month, Tenant will pay the deficiency to City on demand. Notwithstanding any subletting for Tenant's account without termination, at any time thereafter, by written notice to Tenant, City may elect to terminate this Lease by virtue of a previous Event of Default.

(c) During the continuance of an Event of Default, for so long as City does not terminate Tenant's right to possession of the Premises and subject to Section 16 (Assignment and Subletting) and the rights granted to City under that Section.

(d) During the continuance of an Event of Default, City may enter the Premises without terminating this Lease and remove all Tenant's Personal Property, Alterations, and trade fixtures from the Premises and store them at Tenant's risk and expense. If City removes Tenant's Personal Property, Alterations, and trade fixtures from the Premises and stores it at Tenant's risk and expense, and if Tenant fails to pay the cost of the removal and storage after written demand and/or to pay any Rent then due, then, after the property has been stored for a period of thirty (30) days or more, City may sell it at public or private sale, in the manner and at the times and places as City deems commercially reasonable following reasonable notice to Tenant of the time and place of the sale. The sale proceeds will be applied first to the payment of the expenses for removal and storage of the property, the preparation for and conducting of the sale, and for attorneys' fees and other legal expenses incurred by City, and the balance will be applied as provided in Section (b) above. Tenant waives all claims for damages that may be caused by City's reentering and taking possession of the Premises or removing and storing Tenant's Personal Property under this Section, and Tenant will Indemnify City for all Claims resulting from City's reentering and taking possession of the Premises or removing and storing Tenant's Personal Property. No reentry by City will constitute or be construed as a forcible entry by City.

(e) City may require Tenant to remove any and all Alterations from the Premises or, if Tenant fails to do so within ten (10) days after City's request, City may do so at Tenant's expense.

(f) City may cure the Event of Default at Tenant's expense, it being understood that City's cure will not waive or cure the Event of Default. If City pays any sum or incurs any expense in curing the Event of Default, Tenant will reimburse City on demand for the amount of the payment or expense with interest at the Interest Rate from the date the sum is paid or the expense is incurred until City is reimbursed by Tenant.

(g) City may nullify Tenant's Option(s) to Extend the Lease as described in Section 27.1.

17.3. Waiver of Redemption

Tenant hereby waives, for itself and all persons claiming by and under Tenant, all rights and privileges that it might have under any present or future Legal Requirement to redeem the Premises or to continue this Lease after being dispossessed or ejected from the Premises.

17.4. City's Right to Cure Tenant's Defaults

If Tenant defaults in the performance of any of its obligations under this Lease, then, at City's sole option, City may remedy the default for Tenant's account and at Tenant's expense by providing Tenant with three (3) days' prior written or oral notice of City's intention to cure the default (except that no prior notice will be required in the event of an emergency as determined by City). No City action to cure Tenant's default will be construed as a waiver of Tenant's default or any of City's rights or remedies, and nothing in this Section implies any duty on City to do any act that Tenant is obligated to perform. Tenant will pay to City on demand, as Additional Charges, all costs, damages, expenses, or liabilities incurred by City, including reasonable attorneys' fees, in remedying or attempting to remedy the default. Tenant's obligations under this Section will survive the expiration or termination of this Lease.

18. WAIVER OF CLAIMS; INDEMNIFICATION

18.1. Limitation on City's Liability; Waiver of Claims

City will not be responsible for or liable to Tenant, and Tenant hereby assumes the risk of, and waives and releases City and its Agents from all Claims for any injury, loss, or damage to any person or property in or about the Premises by or from any cause whatsoever including: (a) any act or omission of persons occupying adjoining premises or any part of the Building adjacent to or connected with the Premises; (b) theft; (c) explosion, fire, steam, oil, electricity, water, gas, (d) exposure to the elements, such as inclement weather, direct sunlight, extreme temperatures; (e) pollution, electro-magnetic frequency radiation or contamination; (f) stopped, leaking, or defective Building Systems; (g) Building defects; and (h) any other acts, omissions, or causes. Nothing in this Section will relieve City from liability caused solely and directly by the active gross negligence or willful misconduct of City or its Agents, but City will not be liable under any circumstances for any consequential, incidental, or punitive damages.

18.2. Tenant's Indemnity

Tenant, on behalf of itself and its successors and assigns, will indemnify, defend, and hold harmless ("**Indemnify**") City, including all of its boards, commissions, departments, agencies, and other subdivisions, and all of its and their Agents, and their respective heirs, legal representatives, successors, and assigns (individually and collectively, the "**Indemnified Parties**"), and each of them, from and against all liabilities, losses, costs, claims, judgments, settlements, damages, liens, fines, penalties, and expenses, including direct and vicarious liability of every kind (collectively, "**Claims**"), incurred in connection with or arising in whole or in part from: (a) any accident, injury to or death of a person (including Tenant's employees), or loss of or damage to property, howsoever or by whomsoever caused, occurring in or about the Premises; (b) any default by Tenant in the observation or performance of any of the terms, covenants, or conditions of this Lease to be observed or performed on Tenant's part; (c) the use or occupancy or manner of use or occupancy of the Premises by Tenant, its Agents, its Invitees, or any person or entity claiming through or under any of them; (d) the condition of the Premises; (e) any construction or other work undertaken by Tenant on the Premises whether before or during the Term; or (f) any acts, omissions, or negligence of Tenant, its Agents, or its Invitees, in, on, or about the Premises or the Property, all regardless of the active or passive negligence of, and regardless of whether liability without fault is imposed or sought to be imposed on, the Indemnified Parties, except to the extent that the Indemnity is void or otherwise unenforceable under applicable Legal Requirements and

further except only those Claims as are caused exclusively by the willful misconduct or active gross negligence of the Indemnified Parties. The foregoing Indemnity includes reasonable fees of attorneys, consultants, and experts and related costs and City's costs of investigating any Claim. Tenant expressly acknowledges that Tenant has an immediate and independent obligation to defend City from any Claim that actually or potentially falls within this indemnity provision even if the allegation is or may be groundless, fraudulent, or false, which obligation arises at the time the Claim is tendered to Tenant by City and continues at all times thereafter. Tenant's obligations under this Section will survive the expiration or termination of this Lease.

19. INSURANCE

19.1. Tenant's Insurance. Tenant shall procure and keep in effect at all times throughout the Term of this Lease, at Lessee's expense, insurance in the following amounts and coverages:

(a) **Property Insurance.** Property Insurance coverage, on an all-risk form, or an equivalent form acceptable to City, for one hundred percent (100%) of the full insurable value of the furniture, trade fixtures, office equipment and other personal property used by Tenant in the Premises and any permitted Alterations, with the amount of any deductible to be subject to City's approval, which shall not be unreasonably withheld. Such insurance shall include City as an insured as interests may appear. "Full insurable value" shall mean the actual replacement cost of any personal property and permitted Alterations but without deduction for physical depreciation.

(b) **Commercial General Liability Insurance.** Commercial General Liability Insurance with limits not less than Five Million Dollars (\$5,000,000) each occurrence combined single limit for bodily injury and property damage, including contractual liability, broad-form property damage, independent contractors, personal injury, and premises and operations liability. The policy shall include an endorsement for physical abuse and sexual molestation coverage. As well the policy shall provide for fire legal liability in which the insurer will pay those sums that the named insured becomes legally obligated to pay as damages because of direct physical loss to covered property caused by accident and arising out of any covered cause of loss.

(c) **Workers' Compensation Insurance.** Worker's Compensation Insurance, including employer's liability coverage, with limits not less than One Million Dollars (\$1,000,000) each accident, injury, or illness. The Workers' Compensation policy shall be endorsed with a Waiver of Subrogation in favor of the City for all work performed by the Tenant, its employees, agents and any subcontractors.

(d) **Commercial Automobile Liability.** If applicable, Automobile Liability Insurance with limits not less than Five Million Dollars (\$5,000,000) each occurrence combined single limit for bodily injury and property damage, including owned and non-owned and hired vehicles as applicable, if Tenant uses or causes to be used any vehicles in connection with its use of the Premises. Tenant shall ensure that any such vehicles used for transport are appropriately permitted and outfitted for transport of the age and/or need of any passenger.

(e) If applicable, Crime and Fidelity Insurance providing protection for the Tenant from loss of money, securities or inventory resulting from crime.

(f) Tenant will also ensure that any janitorial service or other subcontracted service retained by Tenant will provide all necessary insurance including Commercial General Liability Insurance and Workers' Compensation Insurance with a Waiver of Subrogation in favor

of the City and will name the City and County of San Francisco, and their officers, agents and employees as additional insureds, as their respective interests may appear hereunder.

(g) As applicable, Licensed professionals will provide professional liability insurance with limits not less than \$1,000,000 each claim with respect to negligent acts, errors, or omissions in connection with professional services to be provided under this Lease or to the Premises, provided the requirements of Section 19.1(d) will not apply to such insurance.

(h) Other Insurance. Upon City's request, Tenant and City shall periodically review the limits and types of insurance carried pursuant to this Section. If the general commercial practice in the City and County of San Francisco is to carry liability insurance in an amount or coverage materially greater than the amount or coverage then being carried by Tenant for risks comparable to those associated with the Premises, then Tenant shall, at City's request, increase the amounts and/or types of coverage carried by Tenant to conform to such general commercial practice.

19.2. General Requirements. All insurance provided for under this License shall be affected under valid enforceable policies issued by insurers of recognized responsibility and reasonably approved by City.

(a) Should any of the required insurance be provided under a claims-made form, Tenant shall maintain such coverage continuously throughout the term hereof and, without lapse, for a period of three (3) years beyond the expiration or termination of this License, to the effect that, should occurrences during the Term give rise to claims made after expiration or termination of this License, such claims shall be covered by such claims-made policies.

(b) Should any of the required insurance be provided under a form of coverage that includes a general annual aggregate limit or provides that claims investigation or legal defense costs be included in such general annual aggregate limit, such general aggregate limit shall be double the occurrence or claims limits specified above.

(c) All liability insurance policies shall be endorsed to provide the following:

(i) Name the City and County of San Francisco, its officers, agents and employees, as additional insureds, as their respective interests may appear hereunder.

(ii) That such policies are primary insurance to any other insurance available to the additional insureds, with respect to any claims arising out of this License, and that insurance applies separately to each insured against whom claim is made or suit is brought, except with respect to the insurer's limit of liability.

(iii) All policies shall provide thirty (30) days' advance written notice to City of cancellation or intended non-renewal, mailed to the address(es) for City set forth in the Basic License Information.

19.3. Proof of Insurance. Tenant shall deliver to City certificates of insurance and additional insured evidence from insurers in a form satisfactory to City, evidencing the coverages required hereunder, on or before the Commencement Date, together with complete copies of the policies promptly upon City's request, and Tenant shall provide City with certificates or policies thereafter within thirty (30) days of the expiration dates of expiring policies. In the event Tenant shall fail to procure such insurance, or to deliver such policies or certificates, City may, at its option, procure the same for the account of Tenant, and the cost thereof shall be paid to City within five (5) days after delivery to Tenant of bills therefore.

19.4. Review of Insurance Requirements. Tenant and City shall periodically review the limits and types of insurance carried pursuant to this Section. If the general commercial

practice in the City and County of San Francisco is to carry liability insurance in an amount or coverage materially greater than the amount or coverage then being carried by Tenant with respect to risks comparable to those associated with the Premises, then, at City's option, Tenant shall increase at its sole cost the amounts or coverages carried by Tenant to conform to such general commercial practice.

19.5. No Limitation on Indemnities. Tenant's compliance with the provisions of this Section shall in no way relieve or decrease Tenant's indemnification obligations under Sections 18.2 above and 25.3 below, or any of Tenant's other obligations or liabilities under this License.

19.6. Lapse of Insurance. Notwithstanding anything to the contrary in this License, City may elect, in City's sole and absolute discretion, to terminate this License upon the lapse of any required insurance coverage by written notice to Tenant.

19.7. Tenant's Personal Property. Tenant shall be responsible, at its expense, for separately insuring Tenant's Personal Property.

19.8. Waiver of Subrogation. Notwithstanding anything to the contrary contained herein, City, in the event that City does not self-insure, and Tenant (each a "Waiving Party") each hereby waives any right of recovery against the other party and against any other party and including if maintaining a policy of insurance covering the Building or the contents, or any portion thereof, for any loss or damage maintained by such other party with respect to the Building or the Premises or any portion thereof or the contents of the same or any operation therein, whether or not such loss is caused by the fault or negligence of such other party, to the extent (i) such loss or damage is actually recovered from valid and collectible insurance covering the Waiving Party, and (ii) the Waiving Party's insurance carrier agrees to its written waiver of right to recover such loss or damage. Each party shall make reasonable efforts to obtain such a waiver from its insurance carriers providing insurance coverage related to the Premises, the Building and/or the parties' operations in or around the Building.

20. ACCESS BY CITY

City reserves for itself and any of its designated Agents the right to enter the Premises as follows: **(a)** on a regular basis without advance notice to supply any necessary or agreed-upon service provided by City under this Lease; **(b)** on an occasional basis, at all reasonable times after giving Tenant reasonable advance written or oral notice, to show the Premises to prospective tenants or other interested parties; to post notices of non-responsibility; to conduct any environmental audit of Tenant's use of the Premises; to repair, alter, or improve any part of the Building, Building Systems, or the Premises; and for any other lawful purpose; and **(c)** on an emergency basis without notice whenever City believes that emergency access is required. City will have the right to use any means that it deems proper to open doors in an emergency to obtain access to any part of the Premises, and that entry will not be construed or deemed to be a forcible or unlawful entry into or a detainer of the Premises, or an eviction, actual or constructive, of Tenant from the Premises or any portion of the Premises. Tenant will not alter any lock or install any new or additional locking devices without City's prior written consent. All locks installed in the Premises will be keyed to the Building master key system, and City will at all times have a key with which to unlock all doors in the Premises (excluding Tenant's vaults, safes, or special security areas, if any, designated by Tenant in writing to City).

21. CERTIFICATES

21.1. Tenant's Estoppel Certificates

At any time and from time to time on not less than ten (10) days' prior notice from City, Tenant will execute and deliver to City or to any party designated by City a certificate stating: **(a)** that Tenant has accepted the Premises, **(b)** the Commencement Date and Expiration Date of this Lease, **(c)** 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), **(d)** whether or not there are then existing any defenses against the enforcement of any of Tenant's obligations under this Lease (and if so, specifying the same), **(e)** whether or not there are any defaults then existing under this Lease (and if so specifying the same), **(f)** the dates, if any, to which the Base Rent and Additional Charges have been paid, and **(g)** any other information that may be required.

21.2. City's Certificates

At any time and from time to time on not less than ten (10) days' prior notice from Tenant, City will execute and deliver to Tenant or to any party designated by Tenant 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)** whether or not there are any known defaults then existing under this Lease (and if so specifying the same), and **(d)** the dates, if any, to which the Base Rent and Additional Charges have been paid.

22. RULES AND REGULATIONS

Tenant will faithfully comply with the rules and regulations attached to this Lease as **Exhibit D** (Building Rules and Regulations), which City may amend from time to time (the "**Rules and Regulations**"). City will not be responsible for the non-performance of the Rules and Regulations by any other tenant or occupant of the Building. If there is any conflict between any provision of this Lease and any provision of the Rules and Regulations, this Lease will control

23. SECURITY DEPOSIT

Intentionally Omitted.

24. SURRENDER OF PREMISES

(a) On the Expiration Date or other termination of this Lease, Tenant will peaceably quit and surrender to City the Premises, together with the Tenant Improvements and all Alterations approved by City, in good order and condition, except for normal wear and tear (after Tenant has made the last necessary repair required under this Lease), and further except for any portion of the Premises condemned and any damage and destruction for which Tenant is not responsible under this Lease. The Premises will be surrendered free and clear of all liens and encumbrances other than those existing as of the date of this Lease and any other encumbrances created by City. Immediately before the Expiration Date or other termination of this Lease, Tenant will remove all of Tenant's Personal Property as provided in this Lease, and repair any damage resulting from the removal; provided, in City's sole discretion, City may reserve ownership of any telecommunications equipment, wire, cabling, and/or conduit installed in the Premises or any other portion of the Building by or on behalf of Tenant. If the removal is not completed at the expiration or other termination of this Lease, City may perform the removal at Tenant's expense. Notwithstanding anything to the contrary in this Lease, at any time before the Expiration Date or within five (5) days after termination of this Lease (which period will be considered holding over with Landlord's consent under Section 28.12 (Holding Over) below), City may elect to require Tenant to remove, at Tenant's sole expense, all or part of the Tenant Improvements, Alterations, or other improvements or equipment constructed or installed by or at Tenant's expense, including any telecommunications equipment, wires, cabling, and/or conduit installed in the Premises or any other portion of the Building by or on behalf of Tenant. Tenant will promptly remove those items and repair, at no cost to City, any damage to the Premises or

the Building resulting from the removal, or if Tenant fails to repair, City may do so at Tenant's expense. At City's option, any items of Tenant's Personal Property remaining in the Premises after the Expiration Date or sooner termination of this Lease may be deemed abandoned and disposed of in accordance with Section 1980 et seq. of the California Civil Code or in any other manner allowed by Legal Requirements.

(b) Concurrently with the surrender of the Premises, if requested by City, Tenant will execute, acknowledge, and deliver to City a quitclaim deed to the Premises and any other instrument reasonably requested by City to evidence the termination of Tenant's leasehold estate and to effect the transfer or vesting of title to the Tenant Improvements or other improvements or equipment that remain part of the Premises.

(c) Tenant's obligations under this Section will survive the expiration or sooner termination of this Lease.

25. REMOVAL OF ELECTRICAL AND TELECOMMUNICATIONS WIRES

25.1. City May Elect to Remove or Retain Wires

Within thirty (30) days after the expiration or sooner termination of this Lease or at any time that the Wires (as defined below) are no longer in active use by Tenant, by written notice to Tenant, City may elect to: (a) retain any or all wires, cables, and similar installations appurtenant to such wires or cable (collectively, the "Wires") installed by or on behalf of Tenant within the Premises or any portion of the Building outside the Premises, including the plenums or risers of the Building; (b) remove any or all of the Wires and restore the Premises or the Building, as the case may be, to their condition existing before the installation of the Wires (the "Wire Restoration Work"), at Tenant's sole cost and expense; or (c) require Tenant to perform all or part of the Wire Restoration Work, at Tenant's sole cost and expense.

25.2. Compliance with Legal Requirements and Discontinuance of Wire Use

Tenant will comply with all applicable Legal Requirements with respect to the Wires. Within thirty (30) days after Tenant discontinues the use of all or any part of the Wires, Tenant will deliver to City written notice of the discontinuance, together with a plan or other reasonable description of the current type, quantity, points of commencement and termination, and routes of the Wires to allow City to determine if City desires to retain the Wires.

25.3. Condition of Wires

If City elects to retain any or all of the Wires, Tenant covenants that (a) Tenant is the sole owner of the Wires, Tenant has the sole right to surrender the Wires, and the Wires are free of all liens and encumbrances; and (b) all Wires will be left in a good and safe working condition, properly labeled and capped or sealed at each end and in each telecommunications/electrical closet and junction box.

25.4. City's Right to Retain Security Deposit

City may retain Tenant's Security Deposit after the expiration or sooner termination of this Lease until one of the following events has occurred with respect to all of the Wires: (a) City elects to retain the Wires under this Section; (b) City elects to perform the Wire Restoration Work and the Wire Restoration Work is complete and Tenant has fully reimbursed City for all related costs; or (c) City elects to require Tenant to perform the Wire Restoration Work, the Wire Restoration Work is complete, and Tenant has paid for all related costs.

25.5. City Can Apply Security Deposit; Survival

If Tenant fails or refuses to pay all costs of the Wire Restoration Work within thirty (30) days after City's notice requesting Tenant's reimbursement for or payment of the costs or otherwise fails to comply with the provisions of this Section, then City may apply all or any portion of the Security Deposit toward the payment of any costs or expenses relating to the Wire

Restoration Work or Tenant’s obligations under this Section. The retention or application of the Security Deposit by City under this Section does not constitute a limitation on or waiver of City’s right to seek further remedies under law or equity. The terms of this Section will survive the expiration or sooner termination of this Lease.

26. HAZARDOUS MATERIALS

26.1. Definitions

As used in this Lease:

(a) **“Environmental Laws”** means all present or future Legal Requirements relating to Hazardous Material (including its use, handling, transportation, production, disposal, discharge, or storage), or to health and safety, industrial hygiene, or the environment, including soil, air, and groundwater conditions.

(b) **“Hazardous Material”** means any material that, because of its quantity, concentration, or physical or chemical characteristics, is at any time, now or later, deemed by any federal, state, or local governmental authority to pose a present or potential hazard to human health, welfare, or safety or to the environment. Hazardous Material includes any material or substance defined as a “hazardous substance,” “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 Section 25316 of the California Health & Safety Code; any “hazardous waste” listed under Section 25140 of the California Health & Safety Code; and petroleum, including crude oil or any fraction thereof, natural gas, or natural gas liquids.

(c) **“Investigate”** and **“Investigation”** means undertaking any activities to determine the nature and extent of Hazardous Material that may be located in, on, under, or about the Property or that has been, are being or threaten to be Released into the environment; **“Remediate”** and **“Remediation”** means to clean up, remove, contain, treat, stabilize, monitor, or otherwise control the Hazardous Material.

(d) **“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 Premises, or in, on, under, or about any other part of the Property or into the environment.

26.2. No Hazardous Materials

Neither Tenant nor any of its Agents or Invitees will cause or permit any Hazardous Material to be brought on, kept, used, stored, generated or disposed of in, on, or about the Property, or transported to or from the Property, with the sole exception that Tenant may keep and use Hazardous Material in the Premises in reasonably limited amounts as are customarily used for general office purposes (such as copy toner and other normal office and cleaning supplies) and may generate Hazardous Material as a result of measures taken under Section 7 of this Lease that disturb or remove lead-based or presumed lead-based paint from the exterior or interior surfaces of the Premises so long as the generation, storage, transportation, use, and disposal are in compliance with all applicable Environmental Laws at all times. Tenant will give City immediate written notice of: (a) any action, proceeding, or inquiry by any governmental authority (including the California State Department of Health Services, the State or any Regional Water Quality Control Board, the Bay Area Air Quality Management District, or any local governmental entity) against Tenant with respect to the presence or Release or suspected presence or Release of Hazardous Material on the Premises, Building, or Property or the migration thereof from or to

other property; **(b)** all demands or claims made or threatened by any third party against Tenant or the Premises, Building, or Property relating to any loss or injury resulting from any Hazardous Materials; **(c)** any Release of Hazardous Material on or about the Premises or any other part of the Property that has occurred and may require any Investigation or Remediation; and **(d)** all matters of which Tenant is required to give notice under Section 25359.7 of the California Health and Safety Code.

26.3. Tenant's Environmental Indemnity

If Tenant breaches any of its obligations contained in this Section, or, if any act or omission of Tenant, its Agents, or its Invitees results in any Release of Hazardous Material in, on, under, or about the Premises or any other part of the Property in violation of any applicable Environmental Laws, then, without limiting Tenant's Indemnity contained in Section 18 (Tenant's Indemnity), on behalf of itself and its successors and assigns, Tenant will Indemnify the Indemnified Parties, and each of them, from and against all Claims (including damages for decrease in value of the Premises or the Property, the loss or restriction of the use of rentable or usable space or of any amenity of the Premises or the Property, and sums paid in settlement of claims, attorneys' fees, consultants' fees, and experts' fees and costs) arising during or after the Term and relating to the Release. The foregoing Indemnity includes costs incurred in connection with activities undertaken to Investigate and Remediate Hazardous Material and to restore the Property to its prior condition, fines and penalties assessed for the violation of any applicable Environmental Laws/, and any natural resource damages. Without limiting the foregoing, if Tenant or any of its Agents or Invitees causes or permits the Release of any Hazardous Materials in, on, under, or about the Premises or any other part of the Property, Tenant will immediately and at no expense to City take all appropriate actions to return the Premises or the Property affected by the Release to the condition existing before the Release and otherwise Investigate and Remediate the Release in accordance with all Environmental Laws. Tenant expressly acknowledges that Tenant has an immediate and independent obligation to defend City from any claim which actually or potentially falls within this indemnity provision even if the allegation is or may be groundless, fraudulent, or false, and this obligation arises at the time the claim is tendered to Tenant by City and continues at all times thereafter. Tenant will afford City a full opportunity to participate in any discussions with governmental regulatory agencies regarding any settlement agreement, cleanup or abatement agreement, consent decree, or other compromise or proceeding involving Hazardous Material.

26.4. Survival of Obligation

Tenant's obligations under this Section will survive the expiration or earlier termination of this Lease.

26.5. Hazardous Substance Disclosure

California Legal Requirements require landlords to disclose to tenants the presence or potential presence of certain Hazardous Materials. Accordingly, Tenant is hereby advised that occupation of the Premises may lead to exposure to Hazardous Materials, including vehicle exhaust, tobacco smoke, building maintenance and repair materials containing chemicals, such as solvents and glues. Further, there are Hazardous Materials located on the Premises, copies of which have been delivered to or made available to Tenant. By execution of this Lease, Tenant acknowledges that the notices and warnings set forth above satisfy the requirements of California Health and Safety Code Section 25359.7 and related statutes and, to the extent permitted by Legal Requirements, Tenant waives any and all rights Tenant may have to assert that City has not complied with the requirements of the statute.

27. SPECIAL PROVISIONS

27.1. Extension Options

(a) Options to Extend Term. City grants Tenant two (2) options to extend the Term as to the entire Premises only (the "Extension Option(s)") for an additional ten (10) years

in each instance (the “**Extension Option Term(s)**”), the first Extension Option Term (“**First Extension Option Term**”) commencing on the day after the Expiration Date and the second Extension Option Term commencing on the day after the expiration date of the First Extension Option Term (“**Second Extension Option Term**”). Tenant may exercise the Extension Options by giving advance written notice at any time during the Term and the First Extension Option Term in writing but no less than one hundred eighty (180) days before the Expiration Date and the expiration date of the First Extension Option Term. Once given, Tenant may not revoke its notice exercising either Extension Option without having received City’s express consent, which not be unreasonably withheld provided that such revocation is followed by Tenant’s continuous operation under the terms and conditions of this lease for a period of not less than one-hundred and eighty (180) days. If any Event of Default by Tenant is outstanding either at the time Tenant exercises the First Extension Option or at any time before the first day of the first, second or both Extension Option Terms (or if any event has occurred that, with the giving of notice or the passage of time or both, would constitute an Event of Default), then City may elect by notice to Tenant to reject Tenant’s exercise of the Extension Option(s), in which case, the Extension Option(s) will be null and void.

(b) Base Rent and Other Terms. If Tenant elects to exercise the First Extension Option or both Extension Options, then the lease for the Extension Option Term(s) will be for the entire Premises and on all of the terms, covenants, and conditions of this Lease, except that, at the discretion of the Director of Property, the Base Rent may be adjusted to the Prevailing Market Rate (defined below) as follows:

(i) No later than one hundred fifty (150) days before commencement of the Extension Term, City will notify Tenant in writing of City’s good faith determination of the Prevailing Market Rate for the Premises to be used to calculate the Base Rent for the Extension Term. “**Prevailing Market Rate**” for the Premises means the rent and all other payments and escalations, including consumer price indexing, that City could obtain from a third party desiring to lease the Premises for the Extension Term taking into account the age of the Building, the size, location, and floor levels of the Premises, the quality of construction of the Building and the Premises, the services provided under the terms of this Lease, the rent then being obtained for new leases of space comparable to the Premises in the same general area as the Building, and all other factors that would be relevant to a third party desiring to lease the Premises for the Extension Term in determining the rent the third party would be willing to pay; provided, however, no allowance for the construction of tenant improvements will be taken into account in determining Prevailing Market Rate, except that there a reasonable allowance will be permitted for repainting and recarpeting the Premises, as determined by City.

(ii) Within fifteen (15) days after receiving City’s determination of the Prevailing Market Rate, Tenant will notify City in writing either of **(A)** Tenant’s acceptance of the determination, in which case that determination will constitute the new Base Rent as of the commencement of the Extension Term, or **(B)** Tenant’s own good faith determination of the Prevailing Market Rate, including written justification for its determination.

(iii) If Tenant provides City with its determination of the Prevailing Market Rate under this Section, then within thirty (30) days after Tenant’s notice to City, the parties will attempt in good faith to meet no less than two (2) times, at a mutually agreeable time and place, to attempt to resolve any disagreement on the Prevailing Market Rate. The parties may mutually agree in writing to extend the thirty (30) day consultation period for a reasonable period

to resolve their disagreement if the parties are negotiating in good faith and would be unable to resolve their differences within thirty (30) days.

(iv) If, within the consultation period, City and Tenant cannot reach agreement on the Prevailing Market Rate, then promptly after the end of then consultation period City and Tenant will have Prevailing Market Rate determined by appraisal as follows.

(1) Appointment of Appraisers

Each party will appoint one (1) appraiser within thirty (30) days after the end of then consultation period under Section (b)(iii) above. On selecting its appraiser, each party will promptly notify the other party in writing of the name of the appraiser selected. Each appraiser will be competent, licensed, qualified by training and experience in the City and County of San Francisco, and be a member in good standing of the Appraisal Institute and designated as a MAI, or, if the Appraisal Institute no longer exists, will hold the senior professional designation awarded by the most prominent organization of appraisal professionals then awarding those professional designations. Each MAI appraiser may have a prior working relationship with either or both of the parties, so long as the prior working relationship is disclosed to both parties. Without limiting the foregoing, each appraiser will have at least ten (10) years' experience valuing commercial real estate similar to the Premises in the City and County of San Francisco. If either party fails to appoint its appraiser within the thirty (30)-day period, the appraiser appointed by the other party will individually determine the Prevailing Market Rate in accordance with the provisions below.

(2) Appraisal Instructions

Each appraiser will make an independent determination of the Prevailing Market Rate. The appraisers may share and have access to objective information in preparing their appraisals, but they will independently analyze the information in their determination of the Prevailing Market Rate. Neither of the appraisers may have access to the appraisal of the other (except for the sharing of objective information contained in the appraisals) until both of the appraisals are submitted in accordance with the provisions of this Section. Neither party may communicate with the appraiser appointed by the other party regarding the instructions contained in this Section before the appraisers complete their appraisals. If either appraiser has questions regarding the instructions in this Section or the interpretation of the Lease, the appraiser will use his or her own professional judgment and will make clear all assumptions on which his or her professional conclusions are based, including any supplemental instructions or interpretative guidance received from the party appointing him or her. There will not be any change to the appraisal instructions contained in this Section. Each appraiser will complete, sign, and submit its written appraisal setting forth the Prevailing Market Rate (to the nearest half percentage point) to the parties within forty-five (45) days after the appointment of the last of the appraisers. If the higher appraised Prevailing Market Rate is not more than one hundred ten percent (110%) of the lower appraised Prevailing Market Rate, then the Prevailing Market Rate will be the average of the two (2) Prevailing Market Rate figures (to the nearest half percentage point).

(3) "Baseball" Appraisal

If the higher appraised Prevailing Market Rate is more than one hundred ten percent (110%) of the lower appraised Prevailing Market Rate, then the first two appraisers will agree on and appoint an independent third (3rd) appraiser within thirty (30) days after both of the first two (2) appraisals have been submitted to the parties, in accordance with the following procedure. The third (3rd) appraiser will have the minimum qualifications as required of an appraiser under Section (iv)(A) above, and also have experience acting as a third (3rd) appraiser of disputes involving commercial real estate or real estate development opportunities, including ground leases and rental valuation. The two appraisers will inform the parties in writing of their appointment of the third (3rd) appraiser at or before the end of the thirty (30)-day appointment period. Each party will have

the opportunity to question the proposed third (3rd) appraiser, in writing only, as to his or her qualifications, experience, past working relationships with the parties, and any other matters relevant to the appraisal. By written notice to the other party and the two appraisers, either party may raise a good faith objection to the third (3rd) appraiser based on his or her failure to meet the requirements of this Section. In that event, if the two (2) appraisers determine that the objection was made in good faith, then the two (2) appraisers will promptly select another third (3rd) appraiser, subject again to the same process for the raising of objections. If neither party raises a good faith objection to the appointment of the third (3rd) appraiser within ten (10) days after receiving written notice of his or her appointment, then each party will be deemed to have waived any issues or questions relating to the qualifications or independence of the third (3rd) appraiser or any other matter relating to the selection of the third (3rd) appraiser under this Lease. If, for any reason, the two appraisers do not appoint a third (3rd) appraiser within the thirty (30)-day period (or within a reasonable period thereafter not to exceed twenty (20) days in the event a good faith objection is made as provided above), then either party may apply to the Writs and Receivers Department of the Superior Court of the State of California in and for the County of San Francisco for appointment of a third (3rd) appraiser meeting the minimum qualifications set forth in Section (b)(iv)(A) above. If the Court denies or otherwise refuses to act on the application within sixty (60) days from the date on which the party first applies to the Court for appointment of the third (3rd) appraiser, either party may apply to the American Arbitration Association, or any similar provider of professional commercial arbitration services, for appointment in accordance with the rules and procedures of that organization of an independent third (3rd) appraiser meeting the minimum qualifications set forth in Section (iv)(A) above.

The third (3rd) appraiser will consider the appraisals submitted by the first two (2) appraisers as well as any other relevant written evidence that the third (3rd) appraiser may request of either or both of the first two (2) appraisers. If evidence is requested by the third (3rd) appraiser, the other appraisers will deliver a complete and accurate copy to the other party its appraiser, at the same time it submits the evidence to the third (3rd) appraiser. Neither party, nor the appraisers they appoint, may conduct any ex parte communications with the third (3rd) appraiser. Within thirty (30) days after his or her appointment, the third (3rd) appraiser will select the appraised Prevailing Market Rate determined by one or the other of the first two (2) appraisers that is the closer, in the opinion of the third (3rd) appraiser, to the actual Prevailing Market Rate. The determination of the third (3rd) appraiser will be limited solely to the issue of deciding which of the appraisals of the two (2) appraisers is closest to the actual Prevailing Market Rate. The third (3rd) appraiser will have no right to propose a middle ground or to modify either of the two (2) appraisals, or any provision of this Lease.

(4) Conclusive Determination

Except as provided in California Code of Civil Procedure Section 1286.2 (as it may be amended from time to time), the determination of the Prevailing Market Rate by the accepted appraisal will be conclusive, final, and binding on the parties. Neither of the first two (2) appraisers nor the third (3rd) appraiser will have any power to modify any of the provisions of this Lease and will base their decision on the definitions, standards, assumptions, instructions, and other provisions contained in this Lease. Subject to the provisions of this Section, the parties will cooperate to provide all appropriate information to the appraisers and the third (3rd) appraiser. The appraisers (but not the third (3rd) appraiser) can utilize the services of special experts, including experts to determine things such as property condition, market rates, leasing commissions, renovation costs, and similar matters. The appraisers and the third (3rd) appraiser will each produce their determination in writing, supported by the reasons for the determination.

(5) Fees and Costs; Waiver

Each party will bear the fees, costs, and expenses of the appraiser it selects under Section (b)(iv)(A) and of any experts and consultants used by that appraiser. The fees, costs, and expenses of the third (3rd) appraiser under this Section will be shared equally by City and Tenant. Each party waives any claims against the appraiser appointed by the other party, and against the third (3rd) appraiser, for negligence, malpractice, or similar claims in the performance of the

appraisals or arbitration contemplated by this Section. If, either by agreement of the parties or by the appraisal procedure provided above, the Prevailing Market Rate is not finally determined by the commencement of the Extension Term, then Tenant will pay the Prevailing Market Rate determined by City until the Prevailing Market Rate is finally determined by agreement of the parties or by the appraisal procedure set forth in this Section, at which time City will refund any excess amount to Tenant or Tenant will pay any shortfall to City, as the case may be. No delay in the determination of Prevailing Market Rate will be deemed a waiver by either party of the adjustment of Prevailing Market Rate as provided in this Section.

27.2. City’s Option to Relocate Tenant

At any time after Tenant’s execution of this Lease, City will have the one-time right, by providing Tenant thirty (30) days’ notice, to provide Tenant with comparable space elsewhere in the Building and to move Tenant to that space. City will arrange and pay the actual cost of moving Tenant to comparably-improved new space , including costs incurred in changing addresses on stationery, in a sum not to exceed Ten Thousand Dollars (\$10,000). If the new space is reasonably unsatisfactory to Tenant, Tenant may terminate this Lease by providing City with written notice of termination within fifteen (15) days after receiving City’s notice. Tenant’s failure to reject the relocation space within that fifteen- (15)-day period will be deemed acceptance of the new space. If Tenant accepts the new space, then this Lease and all of its terms and covenants and conditions will remain in full force and effect and the revised floor plan will become part of this Lease and will reflect the location of the new space.

27.3. Payment of Percentage Share of Operating Expenses

Intentionally Omitted

27.4 Termination of Permit

Upon the Commencement Date of this Lease, the Revocable Permit to Enter and Use Property, dated for reference purposes as February 14, 2024, between CITY AND COUNTY OF SAN FRANCISCO and CHINATOWN COMMUNITY CHILDREN’S CENTER is terminated and of no further effect.

28. GENERALLY APPLICABLE PROVISIONS

28.1. Notices

Any notice given under this Lease will be effective only if in writing and delivered in person or by sending it first-class mail or certified mail with a return receipt requested or by overnight courier, return receipt requested, with postage prepaid, to: **(a)** Tenant, **(i)** at Tenant’s address set forth in the Basic Lease Information, if sent before Tenant takes possession of the Premises, or **(ii)** at the Premises if sent on or after Tenant takes possession of the Premises, or **(iii)** at any place where Tenant or any Agent of Tenant may be found if sent after Tenant vacates, abandons, or surrenders the Premises; or **(b)** City, at City’s address set forth in the Basic Lease Information; or **(c)** to any other address that either City or Tenant designates as its new address by notice given to the other in accordance with the provisions of this Section at least ten (10) days before the effective date of the change. A properly addressed notice transmitted by one of the foregoing methods will be deemed to have been given two (2) days after the date it is mailed by first class or certified mail, one day after the date it is deposited with an overnight courier for overnight delivery, or on the date of personal delivery. For convenience of the parties, copies of notices may also be given by email to the email address set forth in the Basic Lease Information or as may be provided from time to time; however, neither no official or binding notice may be given by email; a notice will only be deemed given and effective when sent as provided in the first two (2) sentences of this Section. Tenant will promptly provide City with copies of all notices received regarding any alleged violation of Legal Requirements or insurance requirements or any alleged unsafe condition or practice.

28.2. No Implied Waiver

No failure by City to insist on the strict performance of any obligation of Tenant under this Lease or to exercise any right, power, or remedy arising out of a breach, regardless of the length of time that the breach continues, no acceptance of full or partial Base Rent or Additional Charges during any breach, and no acceptance of the keys to or possession of the Premises before the expiration of the Term by any Agent of City, will constitute a waiver of the breach or of City's right to demand strict compliance with any term, covenant, or condition or operate as a surrender of this Lease. No express written waiver of any default or the performance of any provision of this Lease will affect any other default or performance, or cover any other period of time, other than the default, performance, or period of 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. Any City consent under this Lease will not relieve Tenant of any obligation to secure City's consent in any other or future instance as required by this Lease.

28.3. Amendments

Neither this Lease nor any of its terms or provisions 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. 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 by applicable Legal Requirements, including the Charter. Any amendments or modifications to this Lease, including amendments to or modifications to the exhibits to this Lease, are subject to the mutual written agreement of City and Tenant, and City's agreement may be made upon the sole approval of the Director of Property, or his or her designee; provided, however, **(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 (Permitted Use) of this Lease, and **(e)** any other amendment or modification that materially increases City's liabilities or financial obligations under this Lease may also require the approval of City's Board of Supervisors.

28.4. Authority

If Tenant signs as a corporation, a limited liability company, or a partnership, then each of the persons executing this Lease on behalf of Tenant covenants and warrants that Tenant is a duly authorized and existing entity, Tenant has and is qualified to do business in California, Tenant has full right and authority to enter into this Lease, and each and all of the persons signing on behalf of Tenant are authorized to do so. On City's request, Tenant will provide City with evidence reasonably satisfactory to City confirming these representations and warranties.

28.5. Parties and Their Agents; Approvals

The words "**City**" and "**Tenant**" include the plural as well as the singular. If there is more than one entity that comprises Tenant, Tenant's obligations and liabilities under this Lease are joint and several. The term "**Agents**" when used with respect to either party includes the agents, employees, officers, contractors, and representatives of the party, and the term "**Invitees**" when used with respect to Tenant includes the clients, customers, invitees, guests, Tenants, assignees, or subtenants of Tenant. All approvals, consents, or other determinations permitted or required by City will be made by or through City's Director of Property in his or her sole discretion unless otherwise provided in this Lease, subject to applicable Legal Requirements.

28.6. 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 in no way define or limit the scope or intent of any provision of this Lease. Provisions in this Lease relating to number of days are calendar days, unless otherwise specified, but 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 will be the next succeeding business day. Use of the word "**including**" or similar words will 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.

28.7. Successors and Assigns

Subject to the provisions of this Lease relating to Assignment and Subletting, the terms, covenants, and conditions contained in this Lease will bind and benefit City and Tenant and their successors and assigns; provided, however, that on any sale, assignment, or transfer by City (or by any subsequent landlord) of its interest in the Premises, including any transfer by operation of law, City (or any subsequent landlord) will be relieved from all obligations and liabilities arising under this Lease after the sale, assignment, or transfer.

28.8. Brokers

Neither party has had any contact or dealings regarding leasing the Premises to Tenant, or any communication in connection that leasing, 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 in this Lease except as identified in the Basic Lease Information, whose commission, if any is due, will be paid under a separate written agreement between the broker and the party through which the broker contracted. If any broker or finder perfects a claim for a commission or finder’s fee based on a contact, dealings, or communication, then the party through whom the broker or finder makes a 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 in defending against the broker’s or finder’s claim. The provisions of this Section will survive the expiration or any earlier termination of this Lease.

28.9. Severability

If any provision of this Lease or its application to any person, entity, or circumstance is invalid or unenforceable, then 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 thereby, and each other provision of this Lease will be valid and enforceable to the fullest extent permitted by Legal Requirements, 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.

28.10. Governing Law

This Lease will be construed and enforced in accordance with the Legal Requirements 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.

28.11. Entire Agreement

This Lease, including its attached exhibits, which are made a part of this Lease by this reference, contains the entire agreement between the parties and all prior written or oral negotiations, understandings, and agreements are merged into this Lease. The parties intend that this Lease constitutes the complete and exclusive statement of its terms and no extrinsic evidence whatsoever (including prior drafts and changes) may be introduced in any judicial, administrative, or other legal proceeding involving this Lease. Tenant acknowledges that neither City nor City’s Agents have made any representations or warranties with respect to the Premises, the Building, or this Lease except as expressly set forth in this Lease, and no rights, easements, or licenses are or will be acquired by Tenant by implication or otherwise unless expressly set forth in this Lease.

28.12. Holding Over

(a) If Tenant retains possession of any portion of the Premises after the expiration or the earlier termination of this Lease, then unless City expressly agrees to the holdover in writing, Tenant will pay City, on a month-to-month basis, Base Rent equal to two hundred percent (200%) of the latest Base Rent payable by Tenant before the expiration or termination of the Lease, together with an amount estimated by City for the monthly Additional Charges, and will otherwise be on the terms and conditions specified in this Lease so far as applicable (except for those pertaining to the Term and any Extension Options). Any failure by Tenant to surrender, discontinue using, or, if required by City, any failure to remove any property or equipment following written demand by City, will constitute continuing possession for purposes of this Section. Tenant acknowledges that the foregoing provisions do not serve as permission for the Tenant to hold over, or serve to extend the Term. Any holding over without City's consent will constitute a default by Tenant and entitle City to exercise any or all of its remedies, notwithstanding that City may elect to accept one or more payments of Rent, and whether or not the amounts are at the holdover rate specified above or the rate in effect at the end of the Term.

(b) Any holding over after the expiration of the Term with City's express written consent will be construed to automatically extend the Term on a month-to-month basis at a Base Rent equal to one hundred fifty percent (150%) of the latest Base Rent payable by Tenant before the expiration, together with an amount estimated by City for the monthly Additional Charges, and will otherwise be on the terms and conditions specified in this Lease so far as applicable (except for those pertaining to the Term and any Extension Options).

(c) Tenant's obligations under this Section will survive the expiration or termination of this Lease.

28.13. 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.

28.14. Cumulative Remedies

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

28.15. Survival of Indemnities

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

28.16. Signs

Tenant will not erect or maintain, or permit to be erected or maintained, any signs, notices or graphics on or about the Premises that are visible in or from public corridors or other portions of any Common Areas of the Building or from the exterior of the Premises without City's prior written consent, which City may withhold, grant, or condition in its sole discretion.

28.17. Relationship of the Parties

City is not, and none of the provisions in this Lease will be deemed to render City, a partner in Tenant's business, or a member in any joint enterprise or venture with Tenant. Neither party may act as the agent of the other party for any purpose under this Lease. This Lease is not intended and it will not be construed to create any third-party beneficiary rights in any party, unless otherwise expressly provided.

28.18. Intentionally Omitted.

28.19. Light and Air

No diminution of light, air, or view by any structure that may later be erected (whether or not by City) will entitle Tenant to any reduction of the Base Rent or Additional Charges under this Lease, result in any City liability to Tenant, or in any other way affect this Lease or Tenant's obligations under the Lease.

28.20. No Recording

Tenant may not record this Lease or any memorandum of this Lease in the public records.

28.21. Options Personal

Any right or option to extend the Term or renew this Lease is personal to the original named Tenant and may be exercised only by the original named Tenant or its Affiliate while occupying the Premises without the intent of then making an Assignment of this Lease or Subletting of all or any portion of the Premises. No right or option to extend the Term or renew this Lease may be exercised by or assigned, voluntarily or involuntarily, by or to any person or entity other than the original named Tenant or its Affiliate. The options, if any, granted to Tenant are not assignable separate and apart from this Lease, and no option may be separated from this Lease in any manner, either by reservation or otherwise.

28.22. Non-Liability of City Officials, Employees, and Agents

No elected or appointed board, commission, member, officer, employee, or other Agent of City will be personally liable to Tenant or its successors and assigns for any City default or breach or for any amount that may become due to Tenant or its successors and assigns, or for any City obligation under this Lease.

28.23. 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 counsel. 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.

28.24. 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.

28.25. Effective Date

This Lease will be effective on the date on **(a)** City's Board of Supervisors and the Mayor, in their sole and absolute discretion, adopt a resolution approving this Lease in accordance with all applicable Legal Requirements and **(b)** this Lease is duly executed and delivered by the parties.

28.26. Intentionally Omitted

29. CITY REQUIREMENTS

29.1. Public Transit Information

At its sole expense, Tenant will establish and carry on during the Term a program to encourage maximum use of public transportation by personnel of Tenant employed on the Premises, including the distribution of written materials to personnel explaining the convenience and availability of public transportation facilities adjacent or near the Building and encouraging use of them.

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

(a) Tenant recognizes and understands that this Lease may create a possessory interest subject to property taxation and Tenant may be subject to the payment of property taxes levied on its possessory interest. In addition, if the Term, including any extension options, is thirty-five (35) years or more, then Tenant will be obligated to pay real property transfer tax upon execution of the Lease.

(b) Tenant will pay to the proper authority on or before when due all taxes and assessments of every kind, including, but not limited to, possessory interest taxes lawfully assessed on the leasehold interest created by this Lease or any subleasehold interest in the Premises, real property transfer taxes, real and personal property taxes, general and special assessments, and all license fees, permit fees, and all other governmental charges of any kind or nature whatsoever, and to pay all other taxes, excises, licenses, permit charges, and assessments based on Tenant's use of the Premises or any transfer of a leasehold interest or subleasehold interest in the Premises (including, but not limited to, any transfer of the leasehold interest in the Premises pursuant to this Lease) and imposed by Legal Requirements, whether in effect at the time this Lease is entered into or that become later effective. Without limiting the foregoing, Tenant will pay all real property transfer taxes imposed on any transfer of a leasehold interest or subleasehold interest in the Premises (including but not limited to the transfer of the Premises pursuant to this Lease). Tenant further recognizes and agrees that its leasehold interest may be subject to the payment of special taxes, including without limitation a levy of special taxes to finance energy efficiency, water conservation, water pollution control and similar improvements under the Special Tax Financing Law in Chapter 43 Article X of the Administrative Code.

(c) Tenant will not allow or suffer a lien for any taxes, assessments, or other charges to be imposed on the Premises or on any equipment or property located in the Premises without promptly discharging the lien, provided that Tenant, if it desires, may have reasonable opportunity to contest the legal validity or the amount of any tax, assessment, or similar charge so long as the tax, assessment, or charge does not become a defaulted lien. In the event of any disputed tax, assessment, or similar charge, Tenant will Indemnify City, and their Agents from and against all resulting Claims.

(d) San Francisco Administrative Code Sections 23.38 and 23.39 require that certain information relating to the creation, renewal, extension, assignment, sublease, or other transfer of this Lease be provided to the County Assessor within sixty (60) days after the transaction. Accordingly, Tenant must provide a copy of this Lease, and any renewals, extensions, Assignment documents, Sublease documents, or any other transfers of the Premises or the Lease to the County Assessor not later than sixty (60) days after the full execution of the foregoing, and any failure of Tenant to timely provide a copy of this Lease, and any renewals, extensions, Assignment document, Sublease documents, or any other transfers of the Premises or the Lease to the County Assessor will be a default under this Lease. Tenant will also timely provide any information that City may request to ensure compliance with this or any other reporting requirement.

29.3. Non-Discrimination in City Contracts and Benefits Ordinance

(a) **Covenant Not to Discriminate.** In the performance of this Lease, Tenant will not discriminate against any employee, any City employee working with Tenant, or applicant for employment with Tenant, or against any person seeking accommodations, advantages, facilities, privileges, services, or membership in all business, social, or other establishments or organizations, on the basis of the fact or perception of a person's race, color, creed, religion, national origin, ancestry, age, height, weight, sex, sexual orientation, gender identity, domestic

partner status, marital status, disability or Acquired Immune Deficiency Syndrome or HIV status (AIDS/HIV status), or association with members of protected classes, or in retaliation for opposition to discrimination against protected classes.

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

(c) Non-Discrimination in Benefits. Tenant does not as of the date of this Lease and will not during the Term, in any of its operations in San Francisco, on real property owned by City, or where the work is being performed for City elsewhere within the United States, discriminate in the provision of bereavement leave, family medical leave, health benefits, membership or membership discounts, moving expenses, pension and retirement benefits, or travel benefits, as well as any benefits other than the benefits specified above, between employees with domestic partners and employees with spouses, and/or between the domestic partners and spouses of the employees, where the domestic partnership has been registered with a governmental entity under the Legal Requirements authorizing that registration, subject to the conditions set forth in Section 12B.2(b) of the San Francisco Administrative Code.

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

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

29.4. No Relocation Assistance; Release of Claims

Tenant acknowledges that it will not be a displaced person at the time this Lease is terminated or expires by its own terms, and Tenant fully RELEASES AND DISCHARGES forever any and all Claims against, and covenants not to sue, City, its departments, commissions, officers, directors, and employees, and all persons acting by, through or under each of them, under any Legal Requirements, including any and all claims for relocation benefits or assistance from City under federal and state relocation assistance Legal Requirements (including California Government Code Section 7260 et seq.), except as otherwise specifically provided in this Lease with respect to a Taking/Condemnation.

29.5. MacBride Principles—Northern Ireland

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

29.6. Tropical Hardwood and Virgin Redwood Ban; Preservative-Treated Wood Containing Arsenic

City urges companies not to import, purchase, obtain, or use for any purpose, any tropical hardwood, tropical hardwood wood product, virgin redwood or virgin redwood wood product. Except as expressly permitted by the application of Sections 802(b) and 803(b) of the San Francisco Environment Code, Tenant will not provide any items to the construction of Tenant Improvements or the Alterations, or otherwise in the performance of this Lease, that are tropical hardwoods, tropical hardwood wood products, virgin redwood, or virgin redwood wood products. If Tenant fails to comply with any of the provisions of Chapter 8 of the San Francisco Environment Code, Tenant will be liable for liquidated damages for each violation in any amount equal to Tenant's net profit on the contract, or five percent (5%) of the total amount of the contract dollars, whichever is greater. Tenant may not purchase preservative-treated wood products containing arsenic in the performance of this Lease unless an exemption from the requirements of Environment Code Chapter 13 is obtained from the Department of Environment.

29.7. Restrictions on the Use of Pesticides

(a) Chapter 3 of the San Francisco Environment Code (the Integrated Pest Management Program Ordinance or "**IPM Ordinance**") describes an integrated pest management ("**IPM**") policy to be implemented by all City departments. Tenant may not use or apply or allow the use or application of any pesticides on the Premises or contract with any party to provide pest abatement or control services to the Premises without first receiving City's written approval of an IPM plan that (i) lists, to the extent reasonably possible, the types and estimated quantities of pesticides that Tenant may need to apply to the Premises during the Term, (ii) describes the steps Tenant will take to meet City's IPM Policy described in Section 300 of the IPM Ordinance, and (iii) identifies, by name, title, address, and telephone number, an individual to act as the Tenant's primary IPM contact person with City. Tenant will comply, and will require all of Tenant's contractors to comply, with the IPM plan approved by City and will comply with the requirements of Sections 300(d), 302, 304, 305(f), 305(g), and 306 of the IPM Ordinance, as if Tenant were a City department. Among other matters, the provisions of the IPM Ordinance: (i) provide for the use of pesticides only as a last resort, (ii) prohibit the use or application of pesticides on City property, except for pesticides granted an exemption under Section 303 of the IPM Ordinance (including pesticides included on the most current Reduced Risk Pesticide List compiled by City's Department of the Environment), (iii) impose certain notice requirements, and (iv) require Tenant to keep certain records and to report to City all pesticide use at the Premises by Tenant's staff or contractors.

(b) If Tenant or Tenant's contractor would apply pesticides to outdoor areas at the Premises, Tenant will first obtain a written recommendation from a person holding a valid Agricultural Pest Control Advisor license issued by the California Department of Pesticide Regulation ("**CDPR**") and the pesticide application will be made only by or under the supervision of a person holding a valid, CDPR-issued Qualified Applicator certificate or Qualified Applicator license. City's current Reduced Risk Pesticide List and additional details about pest management on City property can be found at the San Francisco Department of the Environment website, <http://sfenvironment.org/ipm>.

29.8. First Source Hiring Agreement

Chapter 83 of the San Francisco Administrative Code requires that Tenant enter into a first source hiring agreement on or before the Effective Date. Accordingly, Tenant and City are parties to the First Source Agreement attached to this Lease as **Exhibit E** under San Francisco Administrative Code, Chapter 83 (the “**First Source Agreement**”). Any default by Tenant under the First Source Agreement will be a default under this Lease.

29.9. Sunshine Ordinance

In accordance with Section 67.24(e) of the San Francisco Administrative Code, contracts, contractors’ bids, leases, agreements, responses to Requests for Proposals, and all other records of communications between City and persons or firms seeking contracts will be open to inspection immediately after a contract has been awarded. Nothing in this provision requires the disclosure of a private person’s or organization’s net worth or other proprietary financial data submitted for qualification for a contract, lease, agreement or other benefit until and unless that person or organization is awarded the contract, lease, agreement, or benefit. Information provided that is covered by this Section will be made available to the public on request.

29.10. Conflicts of Interest

Through its execution of this Lease, Tenant acknowledges that it is familiar with the provisions of Article III, Chapter 2 of City’s Campaign and Governmental Conduct Code, and California Government Code Section 87100 et seq. and Section 1090 et seq., and certifies that it does not know of any facts that would constitute a violation of those provisions, and agrees that if Tenant becomes aware of any violation during the Term, Tenant will immediately notify City.

29.11. Charter Provisions

This Lease is governed by and subject to the provisions of City’s Charter.

29.12. Drug-Free Workplace

Tenant acknowledges that under the Federal Drug-Free Workplace Act of 1988, the unlawful manufacture, distribution, possession, or use of a controlled substance under federal Legal Requirements is prohibited on City premises. Any violation of this prohibition by Tenant, its Agents, or assigns will be a material breach of this Lease.

29.13. Prohibition of Tobacco Sales and Advertising

Tenant acknowledges and agrees that no advertising of cigarettes or tobacco products is allowed on the Premises. This advertising prohibition includes the placement of the name of a company producing cigarettes or tobacco products or the name of any cigarette or tobacco product in any promotion of any event or product. In addition, Tenant acknowledges and agrees that no Sales, Manufacture, or Distribution of Tobacco Products (as such capitalized terms are defined in Health Code Section 19K.1) is allowed on the Premises and such prohibition must be included in all subleases or other agreements allowing use of the Premises. The prohibition against Sales, Manufacture, or Distribution of Tobacco Products does not apply to persons who are affiliated with an accredited academic institution where the Sale, Manufacture, and/or Distribution of Tobacco Products is conducted as part of academic research.

29.14. Prohibition of Alcoholic Beverage Advertising

No advertising of alcoholic beverages is allowed on the Premises. For purposes of this section, “alcoholic beverage” is defined as set forth in California Business and Professions Code Section 23004, and does not include cleaning solutions, medical supplies, and other products and substances not intended for drinking. This advertising prohibition includes the placement of the name of a company producing alcoholic beverages or the name of any alcoholic beverage in any promotion of any event or product.

29.15. Requiring Health Benefits for Covered Employees

(a) Unless exempt, Tenant will comply fully with and be bound by all of the provisions of the Health Care Accountability Ordinance (“**HCAO**”), as set forth in San Francisco

Administrative Code Chapter 12Q, including the remedies provided, and implementing regulations, as they may be amended from time to time. The provisions of Chapter 12Q are incorporated into this Lease by reference and made a part of this Lease as though fully set forth. The text of the HCAO is available on the web at <http://www.sfgov.org/olse/hcao>. Capitalized terms used in this Section and not defined in this Lease have the meanings assigned to those terms in Chapter 12Q.

(b) For each Covered Employee, Tenant will provide the appropriate health benefit set forth in Section 12Q.3 of the HCAO. If Tenant chooses to offer the health plan option, the health plan must meet the minimum standards set forth by the San Francisco Health Commission.

(c) Notwithstanding the above, if the Tenant is a small business as defined in Section 12Q.3(e) of the HCAO, it will have no obligation to comply with subsection (a) above.

(d) Tenant's failure to comply with the HCAO will constitute a material breach of this Lease. City may notify Tenant if a breach has occurred. If, within thirty (30) days after receiving City's written notice of a breach of this Lease for violating the HCAO, Tenant fails to cure the breach or, if the breach cannot reasonably be cured within the thirty (30) days period, and Tenant fails to commence efforts to cure within that period, or fails diligently to pursue the cure to completion, then City will have the right to pursue the remedies set forth in Section 12Q.5(f)(1-5). Each of these remedies will be exercisable individually or in combination with any other rights or remedies available to City.

(e) Any Subcontract entered into by Tenant will require the Subcontractor to comply with the requirements of the HCAO and contain contractual obligations substantially the same as those set forth in this Section. Tenant will notify City's Purchasing Department when it enters into a Subcontract and will certify to the Purchasing Department that it has notified the Subcontractor of the obligations under the HCAO and has imposed the requirements of the HCAO on Subcontractor through the Subcontract. Each Tenant will be responsible for its Subcontractors' compliance with this Chapter. If a Subcontractor fails to comply, City may pursue the remedies set forth in this Section against Tenant based on the Subcontractor's failure to comply, provided that City has first provided Tenant with notice and an opportunity to cure the violation.

(f) Tenant may not discharge, reduce in compensation, or otherwise discriminate against any employee for notifying City regarding Tenant's compliance or anticipated compliance with the requirements of the HCAO, for opposing any practice proscribed by the HCAO, for participating in proceedings related to the HCAO, or for seeking to assert or enforce any rights under the HCAO by any lawful means.

(g) Tenant represents and warrants that it is not an entity that was set up, or is being used, for the purpose of evading the intent of the HCAO.

(h) Tenant will keep itself informed of the current requirements of the HCAO.

(i) Tenant will provide reports to City in accordance with any reporting standards promulgated by City under the HCAO, including reports on Subcontractors and Subtenants, as applicable.

(j) Tenant will provide City with access to records pertaining to compliance with HCAO after receiving a written request from City to do so and being provided at least five (5) business days to respond.

(k) City may conduct random audits of Tenant to ascertain its compliance with HCAO. Tenant will cooperate with City when it conducts the audits.

(l) If Tenant is exempt from the HCAO when this Lease is executed because its amount is less than Twenty-Five Thousand Dollars (\$25,000) [Fifty Thousand Dollars (\$50,000) for nonprofits, but Tenant later enters into an agreement or agreements that cause Tenant's aggregate amount of all agreements with City to reach Seventy-Five Thousand Dollars (\$75,000), then all the agreements will be thereafter subject to the HCAO. This obligation arises on the effective date of the agreement that causes the cumulative amount of agreements between Tenant and the Contracting Department to be equal to or greater than Seventy-Five Thousand Dollars (\$75,000) in the fiscal year.

29.16. Notification of Prohibition on Contributions

For the purposes of this Section, a “**City Contractor**” is a party that contracts with, or seeks to contract with, the City for the sale or leasing of any land or building to or from the City whenever such transaction would require the approval by a City elective officer, the board on which that City elective officer serves, or a board on which an appointee of that individual serves. Through its execution of this Agreement, Tenant acknowledges that it is familiar with Section 1.126 of the San Francisco Campaign and Governmental Conduct Code, which prohibits a City Contractor from making any campaign contribution to (1) the City elective officer, (2) a candidate for the office held by such individual, or (3) a committee controlled by such individual or candidate, at any time from the commencement of negotiations for the contract until the later of either the termination of negotiations for that contract or twelve (12) months after the date that contract is approved. Tenant acknowledges that the foregoing restriction applies only if the contract or a combination or series of contracts approved by the same individual or board in a fiscal year have a total anticipated or actual value of \$100,000 or more. Tenant further acknowledges that (i) the prohibition on contributions applies to Tenant, each member of Tenant's board of directors, Tenant's chief executive officer, chief financial officer and chief operating officer, any person with an ownership interest of more than ten percent (10%) in Tenant, any subcontractor listed in the contract, and any committee that is sponsored or controlled by Tenant, and (ii) within thirty (30) days of the submission of a proposal for the contract, the City department seeking to enter into the contract must notify the Ethics Commission of the parties and any subcontractor to the contract. Additionally, Tenant certifies it has informed each of the persons described in the preceding sentence of the prohibitions contained in Section 1.126 by the time it submitted a proposal for the contract to the City, and has provided the names of the persons required to be informed to the City department seeking to enter into that contract within thirty (30) days of submitting its contract proposal to the City department receiving that submittal, and acknowledges the City department receiving that submittal was required to notify the Ethics Commission of those persons.

29.17. Resource-Efficient City Buildings

Tenant acknowledges that City has enacted San Francisco Environment Code Sections 700 to 713 relating to green building requirements for the design, construction, and operation of buildings owned or leased by City. Tenant will comply with all applicable provisions of those code sections.

29.18. Food Service and Packaging Waste Reduction Ordinance

Tenant will comply with and is bound by all of the applicable provisions of the Food Service and Packaging Waste Reduction Ordinance, as set forth in the San Francisco Environment Code, Chapter 16, including the remedies provided therein, and implementing guidelines and rules. The provisions of Chapter 16 are incorporated into this Lease by reference and made a part of this Lease as though fully set forth. Accordingly, Tenant acknowledges that City contractors and lessees may not use Food Service Ware for Prepared Food in City Facilities and while performing under a City contract or lease (1) where the Food Service Ware is made, in whole or

in part, from Polystyrene Foam, (2) where the Food Service Ware is not Compostable or Recyclable, or (3) where the Food Service Ware is Compostable and not Fluorinated Chemical Free. The capitalized terms (other than Tenant and City) in the previous sentence are defined in San Francisco Environment Code Section 1602.

29.19. San Francisco Packaged Water Ordinance

Tenant will comply with San Francisco Environment Code Chapter 24 (“**Chapter 24**”). Tenant may not sell, provide, or otherwise distribute Packaged Water, as defined in Chapter 24 (including bottled water), in the performance of this Lease or on City property unless Tenant obtains a waiver from City’s Department of the Environment. If Tenant violates this requirement, City may exercise all remedies in this Lease and the Director of City’s Department of the Environment may impose administrative fines as set forth in Chapter 24.

29.20. Criminal History in Hiring and Employment Decisions

(a) Unless exempt, Tenant will comply with and be bound by all of the provisions of San Francisco Administrative Code Chapter 12T (Criminal History in Hiring and Employment Decisions), as amended from time to time (“**Chapter 12T**”), which are incorporated into this Lease as if fully set forth, with respect to applicants and employees of Tenant who would be or are performing work at the Premises.

(b) Tenant will incorporate by reference the provisions of Chapter 12T in all subleases of some or all of the Premises, and require all subtenants to comply with those provisions. Tenant’s failure to comply with the obligations in this subsection will constitute a material breach of this Lease.

(c) Tenant and subtenants may not inquire about, require disclosure of, or if the information is received base an Adverse Action on an applicant’s or potential applicant for employment, or employee’s: (i) Arrest not leading to a Conviction, unless the Arrest is undergoing an active pending criminal investigation or trial that has not yet been resolved; (ii) participation in or completion of a diversion or a deferral of judgment program; (iii) a Conviction that has been judicially dismissed, expunged, voided, invalidated, or otherwise rendered inoperative; (iv) a Conviction or any other adjudication in the juvenile justice system; (v) a Conviction that is more than seven years old, from the date of sentencing; or (vi) information pertaining to an offense other than a felony or misdemeanor, such as an infraction.

(d) Tenant and subtenants may not inquire about or require applicants, potential applicants for employment, or employees to disclose on any employment application the facts or details of any conviction history, unresolved arrest, or any matter identified in subsection (c) above. Tenant and subtenants may not require that disclosure or make any inquiry until either after the first live interview with the person, or after a conditional offer of employment.

(e) Tenant and subtenants will state in all solicitations or advertisements for employees that are reasonably likely to reach persons who are reasonably likely to seek employment with Tenant or subtenant at the Premises, that the Tenant or subtenant will consider for employment qualified applicants with criminal histories in a manner consistent with the requirements of Chapter 12T.

(f) Tenant and subtenants will post the notice prepared by the Office of Labor Standards Enforcement (“**OLSE**”), available on OLSE’s website, in a conspicuous place at the Premises and at other workplaces within San Francisco where interviews for job opportunities at the Premises occur. The notice will be posted in English, Spanish, Chinese, and any language spoken by at least 5% of the employees at the Premises or other workplace at which it is posted.

(g) Tenant and subtenants understand and agree that on any failure to comply with the requirements of Chapter 12T, City will have the right to pursue any rights or remedies available under Chapter 12T or this Lease, including a penalty of \$50 for a second violation and \$100 for a subsequent violation for each employee, applicant, or other person as to whom a violation occurred or continued, or termination of this Lease in whole or in part.

(h) If Tenant has any questions about the applicability of Chapter 12T, it may contact City's Real Estate Division for additional information. City's Real Estate Division may consult with the Director of City's Office of Contract Administration who may also grant a waiver, as set forth in Section 12T.8.

29.21. Vending Machines; Nutritional Standards

Tenant may not install or permit any vending machine on the Premises without the prior written consent of the Director of Property. Any permitted vending machine will comply with the food and beverage nutritional standards and calorie labeling requirements set forth in San Francisco Administrative Code Section 4.9-1(c), as may be amended from time to time (the "Nutritional Standards Requirements"). Tenant will incorporate the Nutritional Standards Requirements into any contract for the installation of a vending machine on the Premises or for the supply of food and beverages to that vending machine. Failure to comply with the Nutritional Standards Requirements or to otherwise comply with this Section will be a material breach of this Lease. Without limiting Landlord's other rights and remedies under this Lease, Landlord will have the right to require the immediate removal of any vending machine on the Premises that is not permitted or that violates the Nutritional Standards Requirements.

29.22. All-Gender Toilet Facilities

If applicable, Tenant will comply with San Francisco Administrative Code Section 4.1-3 requiring at least one all-gender toilet facility on each floor of the Building where extensive renovations are made. An "all-gender toilet facility" means a toilet that is not restricted to use by persons of a specific sex or gender identity by means of signage, design, or the installation of fixtures, and "extensive renovations" means any renovation where the construction cost exceeds 50% of the cost of providing the toilet facilities required by Administrative Code Section 4.1-3. If Tenant has any question about applicability or compliance, Tenant should contact the Director of Property for guidance.

29.23. Employee Signature Authorization Ordinance

City has adopted an Employee Signature Authorization Ordinance (San Francisco Administrative Code Sections 23.50–23.56). That ordinance requires employers of employees in hotel or restaurant projects on public property with fifty (50) or more employees (whether full-time or part-time) to enter into a "card check" agreement with a labor union regarding the preference of employees to be represented by a labor union to act as their exclusive bargaining representative. Tenant will comply with the requirements of the ordinance, if applicable, including any requirements in the ordinance with respect to its subtenants, Tenants, and operators.

29.24. Tenant's Compliance with City Business and Tax Regulations Code

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

29.25. Stormwater Flood Risk Disclosure

Under San Francisco Police Code Article 51, property owners in San Francisco are required to disclose to transferees and prospective transferees (including tenants and prospective tenants) if the leased premises is susceptible to flooding in a 100-year storm, as shown on the San Francisco Public Utilities Commission's 100-Year Storm Flood Risk Map. The Premises are at risk for flooding in a 100-year storm.

29.26. Consideration of Salary History

In addition to Tenant's obligations as an employer under San Francisco Police Code Article 33J, Tenant must comply with San Francisco Administrative Code Chapter 12K. For each employment application to Tenant for work of eight (8) or more hours per week at the Premises, Tenant must not consider the applicant's current or past salary (a "**Salary History**") in deciding whether to hire the applicant or what salary to offer the applicant unless the applicant voluntarily discloses that Salary History without prompting. In addition, Tenant must not (1) ask those applicants about their Salary History, (2) refuse to hire, or otherwise disfavor, injure, or retaliate against applicants that do not disclose their Salary History, or (3) disclose a current or former employee's Salary History without that employee's authorization unless it is required by law, publicly available, or subject to a collective bargaining agreement.

Tenant is subject to the posting, enforcement, and penalty provisions in Chapter 12K. Information about Chapter 12K is available on the web at <https://sfgov.org/olse/consideration-salary-history>.

NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS LEASE, TENANT ACKNOWLEDGES AND AGREES THAT NO CITY OFFICER OR EMPLOYEE HAS AUTHORITY TO COMMIT CITY TO THIS LEASE UNLESS AND UNTIL CITY'S BOARD OF SUPERVISORS HAS DULY ADOPTED A RESOLUTION OR ENACTED AN ORDINANCE APPROVING THIS LEASE AND AUTHORIZING THE TRANSACTIONS CONTEMPLATED HEREBY. THEREFORE, ANY CITY OBLIGATIONS OR LIABILITIES UNDER THIS LEASE ARE CONTINGENT ON ADOPTION OF A RESOLUTION OR ORDINANCE, AND THIS LEASE WILL BE NULL AND VOID IF CITY'S MAYOR AND THE BOARD OF SUPERVISORS DO NOT APPROVE THIS LEASE, IN THEIR RESPECTIVE SOLE DISCRETION. APPROVAL OF THIS LEASE BY ANY CITY DEPARTMENT, COMMISSION, OR AGENCY WILL NOT BE DEEMED TO IMPLY THAT A RESOLUTION OR ORDINANCE WILL BE ENACTED, AND NO APPROVAL WILL CREATE ANY BINDING CITY OBLIGATIONS.

[SIGNATURES ON FOLLOWING PAGE]

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

[Tenant also acknowledges that they have read and understood the City's statement urging companies doing business in Northern Ireland to move toward resolving employment inequities, encouraging compliance with the MacBride Principles, and urging San Francisco companies to do business with corporations that abide by the MacBride Principles.]

TENANT:

CHINA TOWN COMMUNITY CHILDREN'S CENTER

a Anne Kwong 2/13/2025
608B6BBE45D0447...

By: Anne Kwong
Its: Executive Director

CITY:

CITY AND COUNTY OF SAN FRANCISCO,
a municipal corporation

By: ANDRICO Q. PENICK
Director of Property

APPROVED AS TO FORM:

DAVID CHIU, City Attorney

By: Anna Gunderson
Deputy City Attorney

EXHIBIT A.1

**AS-IS PREMISES PLAN – INTERIOR
(ATTACHED)**

EXHIBIT A.2

CHILDREN'S PLAY AREA

EXHIBIT A.1
CHILDREN'S PLAY AREA

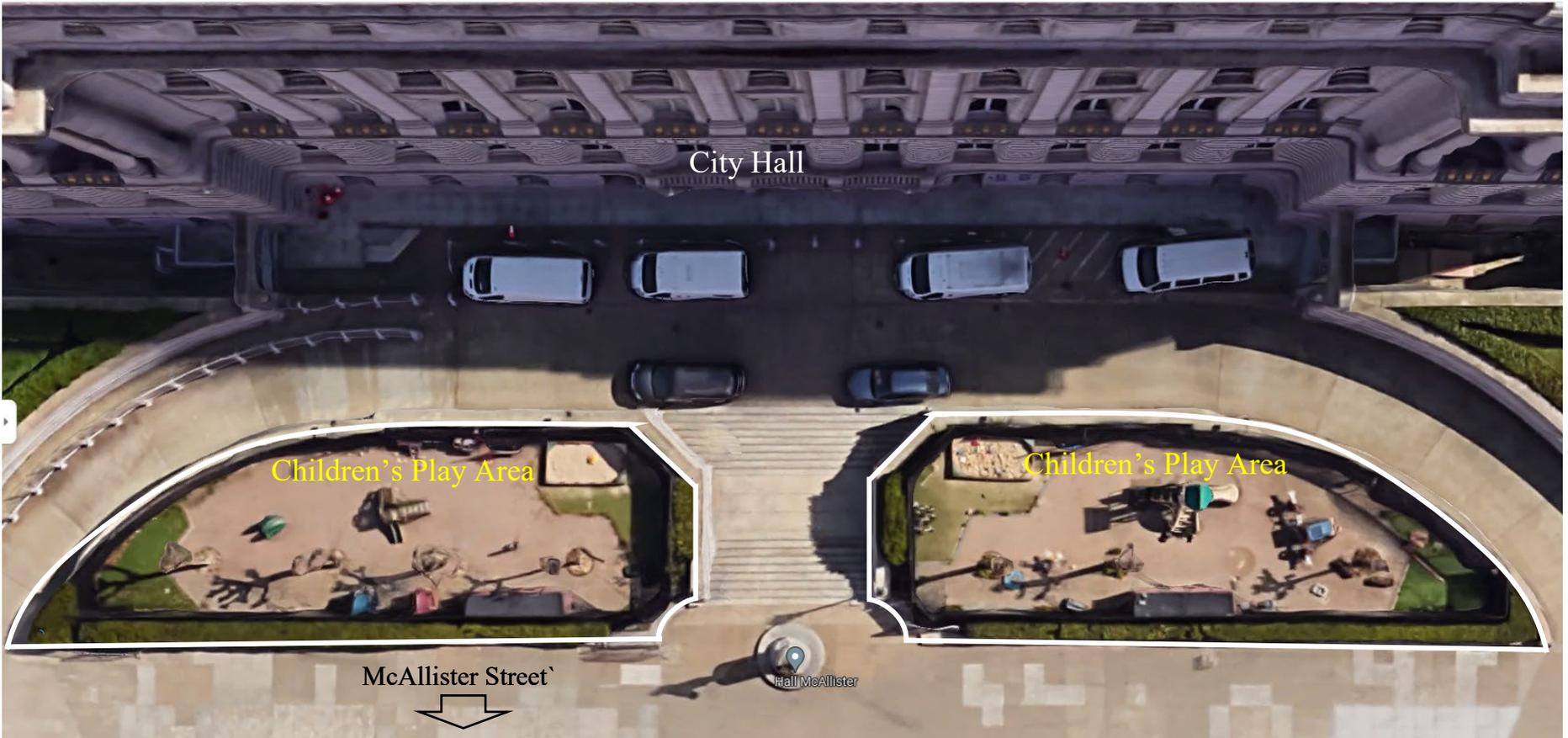
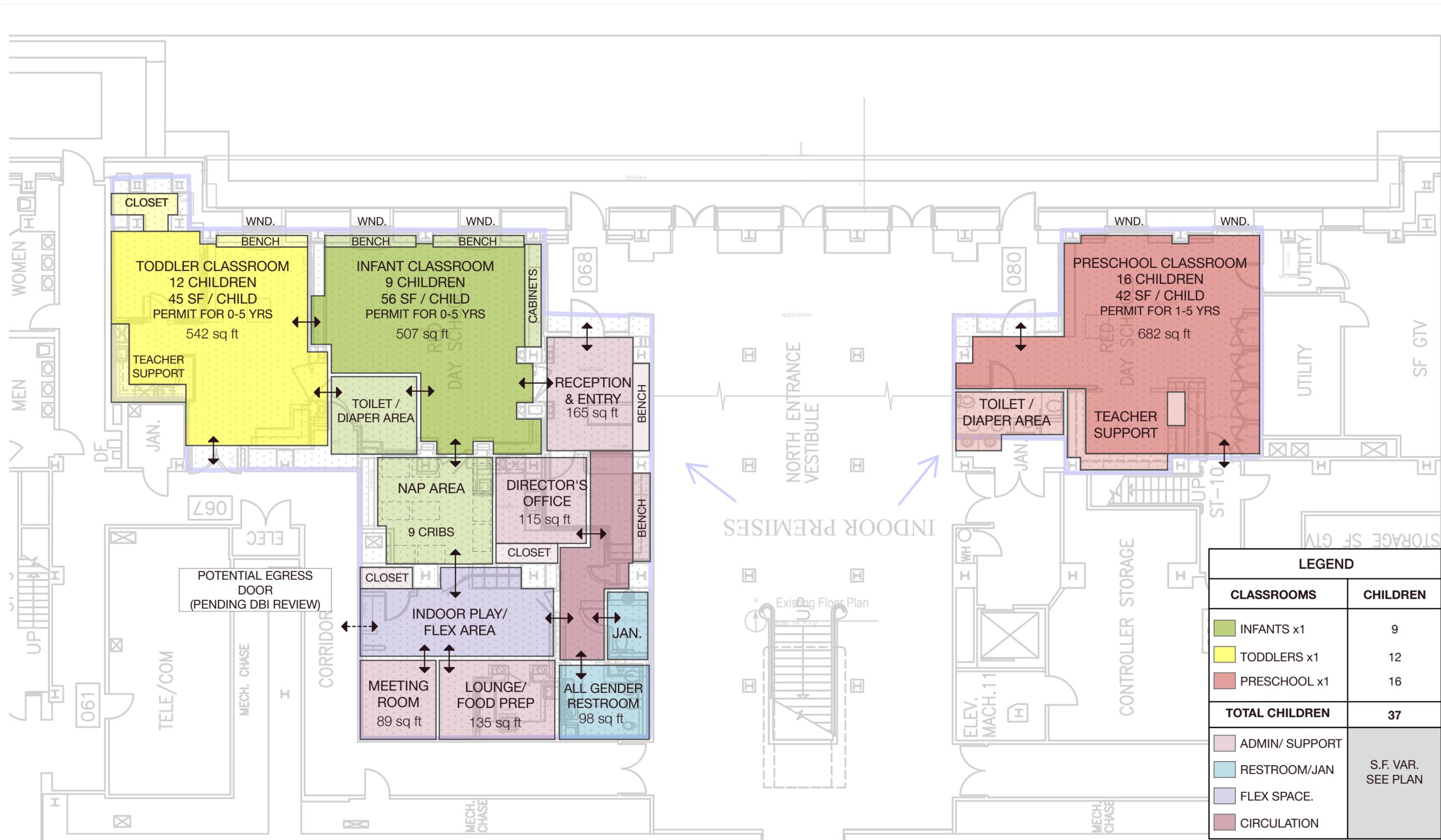


EXHIBIT A.3
TENANT FIT DIAGRAM
(ATTACHED)



CHILDCARE SPACE FIT DIAGRAM

SCALE: 3/32" = 1'-0"

SAN FRANCISCO CITY HALL CHILDCARE CENTER

CHILDCARE SPACE FIT DIAGRAM

7/11/24

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 _____
(Tenant), and the City and County of San Francisco (Landlord), for the Premises located
at _____

Dear Mr. Penick:

This letter will confirm that for all purposes of the Lease, the Commencement Date (as
defined in Section 3.2 of the Lease) is _____, 20__.

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

STANDARD UTILITIES AND SERVICES

The standards set forth below describe the basic utilities and services presently in effect for the Building. City reserves the right to adopt any nondiscriminatory modifications and additions to the standards that do not materially impair Tenant's rights under this Lease or Tenant's use of the Premises. City will give Tenant reasonable advance notice, in accordance with the provisions of this Lease, of any material modifications and additions, which will be subject to Tenant's reasonable approval.

Subject to the terms and conditions of this Lease, City will provide the following basic utilities and services:

A. Elevator. Unattended automatic passenger elevator facilities serving the floor(s) on which the Premises are located, on a 24-hour a day, 7-day a week basis. Freight elevator service is available on reasonable advance written request, subject to rules and regulations established by City, including hours and days of usage.

B. Ventilation; Heating and Air-Conditioning. Ventilation to the Premises, and air-conditioning and heating to the Premises in season, Monday through Friday, except holidays generally recognized in the City of San Francisco, from 7:00 a.m. to 6:00 p.m., and at the temperatures and in the amounts as City deems reasonably necessary for the comfortable occupancy of the Premises, subject to applicable Legal Requirements. Tenant will not alter, adjust, tamper with, or in any manner affect the installations or facilities supplying climate control to the Building or the Premises.

C. Electricity. Electric current to the Premises on a 24-hours a day, 7-days a week basis, in a quantity as reasonably determined by City to service standard office lighting and normal fractional horsepower office machines, in the amount not to exceed _____ watts per square foot of net rentable area. If Tenant's electrical installation or consumption exceeds the quantity described above, Tenant will reimburse City monthly for the additional consumption. Tenant 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 City's prior written consent. At all times, Tenant's use of electric current 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 24-hours a day, 7-days a week basis.

E. Janitorial Service. Building standard janitorial service to the Premises on a 5-day per week basis, Monday through Friday, except holidays generally recognized in the City of San Francisco, provided the Premises are kept reasonably in order by Tenant. Tenant will pay to City any cost incurred by City in excess of the services generally provided for other tenants in the Building. Tenant will pay City the cost of removal of any of Tenant's extraordinary refuse or rubbish.

EXHIBIT D**RULES AND REGULATIONS**

1. Tenant may not obstruct the sidewalks, halls, passages, exits, entrances, elevators, and stairways of the Building or use them for any purpose other than for ingress to and egress from the Premises. City retains the right to control and prevent access to the halls, passages, exits, entrances, elevators, escalators, and stairways that are not for the use of the general public, and City retains the right to control and prevent access of all persons whose presence in City's judgment would be prejudicial to the safety, character, reputation, and interests of the Building and its tenants, but that nothing in these Rules and Regulations may construed to prevent access to persons with whom Tenant normally deals in the ordinary course of its business, unless those persons are engaged in illegal activities. Tenant may not go on the roof of the Building, except in areas that City may designate as "Common Areas" from time to time.
2. No sign, placard, picture, name, advertisement, or notice visible from the exterior of the Premises may be installed or displayed by Tenant on any part of the outside or inside of the Building without City's prior written consent. At Tenant's expense and without notice, City may remove any sign installed or displayed in violation of this rule. All approved signs or lettering on doors will be printed, painted, affixed, or inscribed at Tenant's expense by a person approved by City, which approval will not be unreasonably withheld. Material visible from outside the Building will not be permitted.
3. The Premises may not be used for the storage of merchandise held for sale to the general public or for lodging. Tenant may not cook or permit cooking on the Premises, except that Tenant's use of Underwriters' Laboratory-approved microwave oven and portable equipment for brewing coffee, tea, hot chocolate, and similar beverages is permitted if done in accordance with all applicable Legal Requirements.
4. Tenant will not employ any person or persons other than City's janitor to clean the Premises, unless City otherwise agrees in writing. Except with City's written consent, no person or persons other than those approved by City will be permitted to enter the Building to clean. Tenant will not cause any unnecessary labor because of Tenant's carelessness or indifference in the preservation of good order and cleanliness. Janitor service will not be furnished on nights when rooms are occupied after 9:00 p.m. unless, by agreement in writing, service is extended to a later hour for specifically designated rooms.
5. City will furnish Tenant with two (2) initial keys to the Premises, free of charge. City may make a reasonable charge for additional keys and for having locks changed. Tenant will not make or have made additional keys without City's prior written consent, which consent will not be unreasonably withheld or delayed. Tenant will not alter any lock or install any new or additional locking devices without City's prior written consent. All locks installed in the Premises, excluding Tenant's vaults and safes, or special security areas (which will be designated by Tenant in a written notice to City), will be keyed to the Building master key system. City may make reasonable charge for any additional lock or any bolt (including labor) installed on any door of the Premises. Tenant, on the termination of its tenancy, will deliver to City all keys to doors in the Premises. If Tenant loses any keys, Tenant will pay City for the cost of re-keying the Premises.

EXHIBIT E

FIRST SOURCE HIRING PROGRAM APPLICATION

(ATTACHED)



SAN FRANCISCO
OFFICE OF ECONOMIC &
WORKFORCE DEVELOPMENT

FIRST SOURCE HIRING
WORKFORCE PROJECTION FORM

Business Name:
Contract ID (If applicable):
Phone:
Date:

Main Contact:
Supplier ID (If applicable):
Email:
Signature: _____
Name of Authorized Representative:

** By signing this form, the company agrees to participate in the San Francisco Workforce Development System established by the City and County of San Francisco, and comply with the provisions of the First Source Hiring Program pursuant to Chapter 83 of the San Francisco Administrative Code*

Instructions:

- This form must be submitted via email to the Office of Economic and Workforce Development at business.services@sfgov.org with the subject line First Source Hiring Workforce Projection Form
- If an entry level position becomes available at any time during the term of the lease and/or contract, the company must notify the First Source Hiring Program Administrator at business.services@sfgov.org

Section 1: Select your Industry:

- | | | | |
|---|--|---|--|
| <input type="checkbox"/> Admin/Support/Waste Services | <input type="checkbox"/> Food Services | <input type="checkbox"/> Mgmt/Enterprises | <input type="checkbox"/> Transport/Warehouse |
| <input type="checkbox"/> Agri/Forestry/Fish/Hunt | <input type="checkbox"/> Government | <input type="checkbox"/> Manufacturing | <input type="checkbox"/> Utilities |
| <input type="checkbox"/> Construction | <input type="checkbox"/> Health Care | <input type="checkbox"/> Real Estate/Rental | <input type="checkbox"/> Wholesale Trade |
| <input type="checkbox"/> Educational Services | <input type="checkbox"/> Info/Tech/Prof | <input type="checkbox"/> Retail Trade | <input type="checkbox"/> Other |
| <input type="checkbox"/> Finance/Insurance | <input type="checkbox"/> Leisure/Hospitality | <input type="checkbox"/> Social Services | _____ |

Section 2: Indicate Industry NAICS code if known: _____

Section 3: Provide information on all Entry Level Positions:

Entry level Position Title	Job Description	Number of New Hires	Projected Hiring Date

Section 4: Select the type of First Source Project:

- | | |
|---|--|
| <input type="checkbox"/> Contractor | <input type="checkbox"/> Scene in San Francisco Rebate Applicant |
| <input type="checkbox"/> Subcontractor | <input type="checkbox"/> City Contract (Department) _____ |
| <input type="checkbox"/> City of San Francisco Tenant | <input type="checkbox"/> Cannabis |
| <input type="checkbox"/> Subtenant | <input type="checkbox"/> Other _____ |
| <input type="checkbox"/> Developer | |





First Source Hiring Program Fact Sheet

What is the First Source Hiring Program?

The First Source Hiring Program (First Source) was enacted in 1998 under Chapter 83 of the City's Administrative Code and is administered by the Office of Economic and Workforce Development (OEWD). The First Source Hiring Program requires that developers, contractors, and employers use good-faith efforts to hire economically disadvantaged San Franciscan residents for new entry level positions.

The First Source Hiring Program provides a ready supply of qualified workers to employers with employment needs, and it gives economically disadvantaged individuals the first opportunity to apply for entry level positions in San Francisco. Entry level positions are defined as those requiring less than two years of training or specific preparation and includes temporary and permanent jobs.

How can the First Source Hiring Program help your business at no cost?

- Promote job announcements to over 2,000 recipients in the San Francisco community
- Connect you with a pool of qualified, pre-screened candidates
- Refer graduates of OEWD-funded industry sector training programs
- Coordinate customized recruitment and hiring events
- Provide access to City-wide recruitment facilities and events

Which Businesses are required to comply with the First Source Hiring Program?

- Businesses who have leases with the City on City Property
- Businesses with City contracts for goods, services, grants or loans in excess of \$50,000
- Businesses with City-issued construction contracts in excess of \$350,000
- Developers with building permits for residential projects over 10 units and all employers engaged in commercial activity to be conducted in said development project, including residential services
- Any building permit application for a commercial activity over 25,000 square feet and involving new construction, an addition, or alteration which results in the expansion of entry and apprentice level positions for a commercial activity
- Cannabis-related businesses
- Special projects required by the Board of Supervisors and administered by OEWD

I need to comply with the First Source Hiring Program, where do I start?

Step #1: Contact the Business Services Team at the Office of Economic and Workforce Development (OEWD) by emailing to business.services@sfgov.org. You can also call 415-701-4848 and ask to speak with a First Source Hiring Program Specialist.

Step #2: The Business Services Team will assist you with registering your business in the OEWD's data system.

Step #3: Once you have registered with the OEWD's data system, the Business Services Team will assist you with recruitment for your open positions.

What are the penalties for non-compliance with the First Source Hiring Program?

- Liquidated damages up to \$5,000 can be assessed for each entry level job improperly withheld from the First Source Hiring Program process

Thank you for your interest in San Francisco's First Source Hiring Program. For more information, please visit us online at www.oewd.org/firstsource, email us at business.services@sfgov.org, or call us at 415-701-4848 and ask to speak with a First Source Hiring Program Specialist.



EXHIBIT F

PROGRAM OPERATIONS AND SERVICES

1. Mission

The Chinatown Community Children's Center (CCCC) is a 501 (c)(3) non-profit organization dedicated to providing quality early education and other social services to meet the needs of new immigrant and bilingual/bicultural families in San Francisco. Our mission is to help integrate these families into American society and gain economic stability while maintaining their cultural identity.

CCCC's vision is to empower children and their families by enhancing their cultural assets and pride so that they can lead fulfilling lives and experience their own successes

We prepare children for Kindergarten and beyond by promoting educational achievement, ensuring household economic stability and strengthening cultural identity. Our goal is to engage children at a critical stage in their development and provide the foundation for success and achievement later in life.

Our 84 students and their families (250 individuals) comprise an at-risk population, with 75% of our clients living below the poverty line; many are recent immigrants as well. While the majority of our clients are Chinese-American, our client population has grown diverse and now includes persons of African-American, Hispanic, Caucasian and mixed-race backgrounds. Delivering a bilingual curriculum to a diverse student body contributes to the cultural diversity of the broader San Francisco community.

Our full-time office manager provides resources and referral services to our families with housing, job training, health care and immigration casework. We are also active in identifying and assisting children with physical and developmental disabilities.

2. High Staff Retention Rate

The dedication of our teachers is reflected in our high staff retention rates. Our teachers average 10 years of tenure, with staff members enjoying over 20 years of tenure – an impressive record given that employee turnover in early childhood education averages 30% a year. This allows us to provide continuity of care which falls under the Program for Infant and Toddler Care (PITC) six essential policies. Continuity of care increases the amount of time educators and children spend together and therefore increases the opportunity for educators to develop more meaningful relationships with the children over time (Ruprecht, Elicker, & Choi, 2016). Consistent and responsive caregiver interactions support infant and toddler learning and development in areas such as emotion regulation, attention, memory, planning actions, and self-control (Tarullo, Obradovic, & Gunnar, 2009). Sensitive and responsive caregivers increase the likelihood of infants showing higher levels of peer play and greater language development (NICHD ECCRN, 2005). Infants and toddlers

who have experienced a consistent, secure, responsive relationship with a care provider are more effective in their peer relationships than their counterparts are (Raikes & Edwards, 2009).

3. Our Inclusion Vision

CCCC is committed to enrolling and supporting children with disabilities. We value and support the rights of every infant and young child and their family, regardless of ability, to participate in a broad range of activities and contexts as full members of our community. We partner with local agencies including Help Me Grow, Golden Gate Regional Center, Community Alliance for Special Education (CASE), RAMS and San Francisco Unified School District to ensure that families and educators are equipped and feel supported when teaching children with exceptional needs. Our staff is trained in a variety of inclusive practices including visual aids, sensory supports, and Teaching Pyramid (a social emotional framework). We will be using the Inclusive Classroom Profile (ICP) tool to conduct self-assessments with our inclusion specialist to ensure that we are providing a high quality inclusive environment in the least restrictive environment from the lens of a child and family with disabilities.

1. Children's Programming

- I. Our infant and toddler curriculum approaches as below:
 - A. Creative Curriculum includes age and developmentally appropriate goals and objectives for children within four main domains: social/emotional, physical, cognitive and language.
 - B. Infant sensory stimulation curriculum means activities that will stimulate infants in response to a variety of sensory stimulation input (auditory, visual, tactile, body senses) in order to connect the sensory input processing to be part of infant learning experiences. For example, caregivers can play/sing different music types to infants that eventually stimulate their early literacy and language development in addition to assisting infants to develop calm emotion, healthy nervous system while building a close positive bond relationship between infant to caregiver.
 - C. Toddler hand-on curriculum means activities where the child can directly observe and manipulate physical properties. The tactile element is the key component for learning about their world. Appropriate science/physical/art/manipulative activities for toddlers allow for the maximum child interaction and minimal teacher intervention.
 - D. Integrated STREAM curriculum, literacy programs such as Writing without Tears and emerging multi-lingual language and cultural reflective in the components of school curriculum.
 - E. Approaches: Early Childhood Multi-lingual Creative Curriculum approach is primarily providing adverse cultural and language reflective interest areas or activity areas as a source for children related to play.

- F. Play based approach drives children to explore objects through teachers thoughtfully organizing the space into well-stocked learning environments and interactions in multi linguistic conversations.
 - G. Early Learning Foundations to infants and toddler is an essential component of the teaching curriculum, the sources of information indicating infant and toddler development stages, milestones and appropriate behaviors accordingly, so caregivers can integrate age and developmentally appropriate activities into a teaching objective and goals.
 - H. Partnership Learning: Children's learning is extended to our community and families. The program partners with families to provide learning opportunities for young children to explore and wonder around the world with their five senses as a learning process. Around the school fiscal year, teachers invite families to join school field trips both either in San Francisco or beyond. Teachers not only facilitate learning objects, materials and subject matters relevant to the field trip but also implement field trip relevant learning matters in the school lesson plan and the educational learning activity in order to increase children's understanding of the new ideas, concepts and knowledge in depth.
 - I. Integrating a community nature learning to infants, infants will be placed into the stroller and be able to enjoy nature while visiting the community, or they will be placed on the grass or mat to explore and wonder around the nature around them on a daily basis.
- II. Our infant and toddler assessment system utilizes both Ages and Stages Questionnaire Third Edition (ASQ-3) and Ages & Stages Social Emotional Questionnaire (ASQ-SE2). These are parent/ caregiver completed developmental screening tools that screen both academic and social emotional areas within 45 days upon enrollment. Teachers will partner with families to discuss the ASQ-3 and ASQ-SE outcomes and generate a wide variety of learning activities in weekly lesson plan, tailoring unique activities in daily routines to ensure individualized support is provided to help each child reach their full potential.

Furthermore, teachers and therapists observe children engaging in the classroom planned activities reflecting what children are actually learning, exploring and developing from time to time. Teachers collaborate and organize individual interacted classroom activity observations to have a meeting with a therapist and parents to decide whether the activities should modify or improve to suit the individual educational goals better periodically, or the children are probably required to follow up action from reassessment from the time to reach the new educational developmental goal.

Besides ASQ-3 and ASQ-SE, an additional assessment tool is Desired Result Developmental Profile, teachers observe children on a daily basis and utilize the Desired Result Developmental Profile guidelines and domains(DRDP) to assess children within 60 days of enrollment and will reevaluate children every 6 months afterwards. Then teachers conduct a meeting after DROP rating is completed with parents to share children's current developmental level and discuss children's education goals with families accordingly. Then teachers implement lesson plan activities integrated with each child's educational learning goal that have been discussed with families in parent teacher meetings. At the same point, teachers provide individualized support for each child and family by suggesting take-home activities, designing what appropriate classroom and home activities are important to support children's developmental milestones.

Referral and further assessment are needed for the children who are still under the developmental scale after encountering the educational planned activities implemented by teachers at school and parents at home. Teacher updates about evaluated children and submitted the latest and accurate assessment report to Mental Health Consultant with Ram's, Help Me Grow, Golden Gate Regional Center, SFUSD or other resources. Appropriate therapy services will be eligible from the above authority to the children after being fully evaluated with required full assessment and if they are qualified.

The Inclusive Classroom Profile (ICP) is a comprehensive, field-tested observational tool that assesses the quality of daily classroom practices that support the developmental needs of children with disabilities in early childhood settings. A one-of-a-kind tool for classrooms serving young children with disabilities, the ICP; assesses 12 key practices with the strongest research base for supporting the education and development of young children in inclusive programs:

- o Adaptations of Space, Materials, and Equipment
- o Adult Involvement in Peer Interactions
- o Adults' Guidance of Children's Free-Choice Activities and Play
- o Conflict Resolution
- o Membership
- o Relationships between Adults and Children
- o Support for Communication
- o Adaptation of Group Activities
- o Transitions between Activities
- o Feedback
- o Family-Professional Partnerships
- o Monitoring Children's Learning

CCCC will use the ICP tool as a self assessment to provide our program with insight on our current inclusive practices, provide baseline data for measuring future progress, apply recommended practices for young children, guide quality

improvement efforts by linking assessment data with instructional decision making and tailor professional development to teachers' specific needs.

2. Qualifications and Experience of Teaching Staff and Lead Staff

The teaching staff qualification policy of Chinatown Community Children's Center (CCCC) requires teachers to have a minimum of a teacher permit or be in the process of getting a teacher permit. CCCC intends to hire a site supervisor/lead teacher position to manage daily operation issues, and be a liaison between the headquarters administrators, parents and staff. The administrators of CCCC will provide technical assistance whenever support is needed.

Initially, we are having current CCCC's teaching staff partner with new hire teachers for the City Hall facilities. We recruit new hiring staff from Indeed employment website, STEPS substitute agency, Posting at the EGE employment area of City College of S F and S F State University.

CCCC is abiding to Title 5 Regulations and maintains a teacher-child ratio for proper supervision of children at all times.

- 1:8 ratio: 1 fully qualified teacher for 8 children 3-5 years old.
- 1:4 ratio: 1 fully qualified teacher for 4 children 2-3 years old.
- 1:3 ratio: 1 fully qualified teacher for 3 children 0-2 years old

Teacher qualification (Please see attached job descriptions)

Position	Permit	Minimum Requirement	Minimum Requirement	Experience	Duty
Site supervisor/ lead teacher	Program Director or Site supervisor	BA or higher (does not have to be in ECE/CD) including: 24 ECE/CD units with core courses** plus 6 administration units plus 2 adult supervision units	BA or higher (does not have to be in ECE/CD) including: 24 ECE/CD units with core courses** plus 6 administration units plus 2 adult	Three years supervisor experience	Oversee daily operation, Teaching, Communicate with the main office, plan weekly lesson plan and implement daily structure activities, communicate with parents, maintain

			supervision units		a safe & healthy environment, Observation and assessment for Children. Cover teachers break and lunches
Preschool Teachers	Site supervisor, Master teacher or teacher	AA (or 60 units) which includes: 24 ECE/CD units with core courses** plus 6 administration units plus 2 adult supervision units	24 units ECE/CD including core courses** plus 16 GE units* plus 6 specialization units plus 2 adult supervision units	One year preschool classroom experience	- Plan weekly lesson plan & implement daily structure activities - Communicate with parents - maintain a safe & healthy environment - Observation and assessment for Children.
Infant Toddler Teachers	Site supervisor, Master teacher or teacher	24 units. ECE/CD including core courses** plus 16 GE units* plus 6 specialization units plus 2 adult supervision units	24 units ECE/CD including core courses** plus 16 General Education (GE) units*	One year infant toddler experience	- verbally engage the infants throughout the day - maintain the feeding schedule with the bottles

		Plus 6 infant toddler units	Plus 6 infant toddler units		and solids - daily feeding and bowel movement record for each infant - Plan weekly lesson plan & implement daily activities -Communicate with parents - maintain a safe & healthy environment - Observation and assessment for Children.
Floater	Teacher permit	24 ECE plus 16 GE			Cover teachers break lunch and prep Support teachers

- All teachers required trainings as follows:
 - CPR/First Aid
 - Child Abuse Mandated Reporter
 - Pesticide Management
 - Sexual Harassment

In addition, CCCC provides 2 annual full day staff trainings. Topics will be various; it usually comes from the request of teaching staff, administrators observation, and parent feedback. Teaching staff will receive mentoring from the teaching coach once every two weeks from Quality Connection.

Teachers can also attend training sessions that are offered by Quality Connections.

Our annual training budget is between \$2,500 - \$3,500. The cost varies because it depends on the cost of the presenter. We provide stipends to staff when they advance Early Childhood Education.

Salary Range	Depends on education and experiences
Site Supervisor/Lead Teacher	\$37 - \$40
Preschool Teacher	\$28 - \$37
Infant / Toddler Teacher	\$28 - \$37
Floater	\$28 - \$32
Associate Teacher/Substitute Teacher	\$28 - \$32

3. Program Operation & Staff Patterning

Classroom	Number of Staff	Ratio
Site Supervisor	1 oversee the daily operation and cover teachers' lunch and break	Cover ratio
Infant	3 teachers to 9 infants	1:3
Toddler	4 teachers to 15 toddlers	1:4
Preschooler	2 teachers to 16 preschoolers	1:8
Floater	1 cover breaks, lunch and substitute	Cover ratio
Associate Teacher/Substitute Teacher	2 on-call associate teachers/substitute teachers	Ratio depends on the coverage of age group

Work Shift	Staff
7:15 - 3:45	1
7:30 - 4:00	2
7:45-4:15	1
8:00- 4:30	1
8:15-4:45	1
8:30 - 5:00	1
8:45 - 5:15	1

9:00 - 5:30	3
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The operation schedule is Monday through Friday, from & 7:30 am to 5:30 pm. The all day number of staffing to ensure coverage of teacher and child ratio in all classrooms.

Infant classroom ratio between teacher and child ratio is 1 to 3 for the child's age from 3 months to 2 years old. Three teachers are designated for 9 infants.

The toddler classroom ratio between teacher and child ratio is 1 to 4 for the child's age from two to three years old. Four teachers are designated for 15 toddlers.

The preschool classrooms children's age group is from 3 years old to 5 years old. Teacher and child ratio is 1 to 8. Two teachers are designated for 16 preschoolers.

Proposed full schedule will require 11 staff including the site supervisor (Work schedule from 9:00 to 5:30 to assist and to break 10 teachers.

We are planning to combine toddler and preschool classes between 7:30 - 9:00 am and 4:30 - 5:30 due to fewer children. We will add more staffing if needed.

4. Scope of Services

I. Curriculum:

School teachers implement teacher-directed and child-directed learning activities integrated in the subject learning matters of Science, Technology, Robotic, Reading, Math in associated with Childhood Multi-lingual Creative Curriculum approach by providing adverse cultural and language reflective interest or activity areas ss source for children related to play. Throughout the daily intentional

play-based environment prepared by teachers, children can actually explore objects through teachers thoughtfully organizing the space into well-stocked learning environments and interactions in multi-lingual conversations. Learning is elaborated to our community as field trip activities are being scheduled and proceeded around the school fiscal year in San Francisco or beyond. Teachers not only can facilitate as much as possible learning objects, materials and subject matters during the field trip but also can collaborate in the teaching lesson plan and play-based activity in order to increase children's understanding of the teaching concept.

11. Assessment:

The agency has been using the ITERS-R and ECERS-R and Classroom Assessment Scoring System (CLASS) as the self-assessment tools to evaluate our program in environment safety and quality of curriculum. (QRIS) Quality Rating and Improving System monitor teacher and child ratio, curriculum, lesson plan, staff qualification, screening and referral protocol. All of these above assessments are handled by First 5/PFA which sends assessors from San Francisco Quality Connections to assess our program annually. Teachers and parents have been using both Ages & Stages Questionnaire and Ages & Stages Social Emotional Questionnaire: Screening the enrolled children's developmental stages in both academic and social emotional areas within 45 days upon enrollment. Teachers will discuss the ASQ and ASQ-SE outcomes with parents and decide whether the children require any follow up action. There will be a referral if children are identified with special needs. The agency collaborates with community resources to get support and strategies from the mental health consultant, unified school district specialist on a regular basis.

III. Cohesive Communication:

- A. Personal Formal Meeting: Parent Teacher Conference.
- B. Informal contact: Phone communication is needed if necessary.
- C. Written report:

- 1. Incident and injury reports.
- 2. Desired Result Development Profiles (DROP)

Teachers will observe children on a daily basis and utilize the Desired Result Developmental Profile (DROP) to assess children within 60 days of enrollment and will reevaluate children every 6 months afterwards. Teachers conduct a meeting after each assessment with parents to share children's current developmental level and discuss children's education goals with families accordingly. If referral and further assessment are needed, teachers' input about evaluated children are fully available upon request by parents or agencies.

Additionally, phone and written communication are accessible as needed to inform families about daily basis concern on children.

- IV. All CCCC employees and subcontractors successfully undergo criminal background checks using the California Department of Justice's LiveScan service. All employees upon employment will receive an employee

handbook. The administrator will go over the handbook with the new hire at the orientation.

The CCCC office administrator will go over the parent handbook with the newly enrolled families before the first day of school, and they will receive a copy of the handbook to keep.

Please see attached copies of the Parent Handbook and Employee Handbook.

5. Food and Nutrition

Chinatown Community Children's Center provides three nutritious meals (breakfast, lunch and snack) for all enrolled children. All of our food is provided according to the nutritional standards of the Child and Adult Care Food Program {CACFP}.

We currently have two sites, one site provides on-site cooking, and the other site catering meals from Chefables. Chefables cooks nutritious meals and delivery to most childcare centers in the bay area. Chefables also provides nutritious meals according to the standards of CACFP.

6. Partnerships

CCCC has an open door policy and parents are welcome to address their concerns to teachers, and administrators. Annually, all parents receive surveys to express their issues and needs. We encourage parents to volunteer their time to participate in story reading, classroom activities, and be a chaperone at field trips.

We have a Parent Advisory Committee (PAC) that comprises the enrolled families. Parents

voluntarily join the PAC, and the officers of the PAC are nominated by parents annually. The PAC will meet quarterly to discuss the strategic plan for the classroom, learning activities, field trips and fundraising etc.

CCCC provides parenting workshops every other month. Topics include the developmental stages of children, mental health, health and contagious diseases, healthy protocol, community awareness, earthquake awareness, financial independence, and public safety.

Teachers set up conferences with parents within 60 days of enrollment and every 6 months afterwards to discuss the progress of their child. Teachers will set up educational goals with parents for their child to accomplish.

Parents are encouraged to be chaperones on field trips. Parents have the opportunity to partner with teachers and be involved in the education of their children.

Our children also participate in many community events, such as Chinatown Lion Dance Festival, and Chinatown Chinese New Year celebration. We are building a very nice and close rapport between families, school and community.

7. Enrollment Administration and Fundraising

CCCC contracted with the San Francisco Early Learning Alliance (SFELA) for enrolling low income families to the center. The SFELA will pull names and find matching families from the database of Early Learning SF (ELSF). The names on the matching list prioritize the eligibility of the families.

CCCC will enroll children under the following priorities:

- 1st - Enroll 20% of the low income families.
- 2nd -Enroll employees of the City & County of San Francisco working at the City Hall location.
- 3rd - Enroll other employees of the City & County of San Francisco
- 4th - Enroll families who reside or work in the surrounding community. Those reside within 94102 and 94103 zip code areas.
- 5th - Enroll to all other respondents

We will keep an enrollment waitlist according to the priority list.

The Subsidize families Maximum Gross Monthly Income by family size

	Family Size 1 or 2	Family Size3	Family Size4	Family Size 5	Family Size 6	Family Size 7
State Child Care Voucher CAPP & FCCHEN	\$6,008	\$6,842	\$7,941	\$9,211	\$10,482	\$10,720
Early Learning Scholarship (0-5 age range eligibility/ must be SF resident)	\$10,162	\$11,429	\$12,700	\$13,717	\$14,729	\$15,750

CCCC provides partial scholarships for families that have difficulty paying their family fees. Annually, CCCC conducts Spring Gala fundraising events in March to raise money for the program.

8. Facility/Operations

CCCC has been providing high quality bilingual early care education to San Francisco since 1972. We are under the monitor of Community Care Licensing, California Department of Education, and California Department of Social Services. The analysts and consultants of these departments comment that CCCC provides high quality early childhood education services to the children that we serve. They comment that our teachers have high qualifications. The most recent Contractor Monitor Review (CMR) from the State indicated that we met all requirements. In 2016, the California Department of Education rewarded us with another center to serve more children, because of the high quality that we provided to the families. We had experience starting a new child care program, and we are confident that we can provide a great program to serve the community in the City Hall location.

The estimated timeline will be as follows, if we are being selected to be the service provider.

Timeline	Projects	
Take 30 days to 120 days	Fill & File the application at Community Care Licensing	
Take 1 months	Fill & File the application at Fire Marshall	
Take 2 months	Posting and Hiring teachers	
Take 3 months	Marketing and promoting enrollment	
Take 1 week	Clean up the indoor & outdoor facility	
Take 2 months	Paint and remodel classroom	
Take 1.5 months	Order furniture and appliance	

EXHIBIT G
SCHEDULE

San Francisco City Hall ECEC Schedule - 02/04/25			
Milestones	Start Date	End Date	Duration Assumptions (Pending City & Owner processes)
Assuming Lease Execution date of TBD MOVE ALL DATES BELOW ACCORDINGLY IF LEASE EXECUTION DATE CHANGES			
Project Start	2/17/25	-	Assuming 2 weeks from 2/4/25 for design contracts to be signed
X-ray scan of the slab	3/3/25	4/3/25	Process usually takes 1 month, concurrent w/ Pre-application process
Pre-application meeting with DBI & Fire	3/31/25	4/30/25	Process usually takes 1 month, depending on the DBI
Schematic Design	4/30/25	6/13/25	1.5 months
Historic Resources Review	6/16/25	8/15/25	As needed - Process assumed to take 2 months with SF Planning - Concurrent to Design Development and Construction Documentation phases
Planning Submittal	-	-	Assumed planning is part of DBI review, since no exterior changes are proposed
Design Development	6/30/25	9/5/25	2.5 months - Working with City Hall engineers and facility teams
Construction Documentation / Permit Set	9/8/25	12/5/25	3 months
Permitting (Submittal, Plan Check)	12/5/25	10/2/26	Typical City Permit process is now about 8-10 months - Prop H permit process could be 6-7 months, all timelines depending on the city
Bid Process - Contractor Selection	12/8/25	Assume 3 months / Concurrent with permit review process	To start after permit set is ready, Assuming no changes from the permit process
Potential Construction Start Date	10/5/26	As soon as permit issued & construction contract is signed	Assuming 10-12 months construction duration
Potential Opening Date	10/4/27	10-12 months after start date	Based on all other deadlines staying in place
Timelines subject to change based on DBI and Fire review process and timelines, City Hall review timelines, unforeseen building conditions and other reviews as needed.			



CITY HALL

1 Dr Carlton B. Goodlett Place

LEASE AGREEMENT

BUDGET AND FINANCE COMMITTEE MEETING APRIL 9, 2025

Background

- The previous childcare center operator at City Hall (Marin Day Care) was unable to recover from the Pandemic shutdown and the ground floor space has been vacant since its departure in 2021.
- The Real Estate Division issued an RFP for a new provider to operate a childcare facility in the building; the non-profit Chinatown Community Children's Center (CCCC) was selected as the most qualified of the respondents.
- CCCC will offer an income-scaled fee structure. The childcare operator has partnered with agencies, such as:
 - the ***Community Alliance for Special Education (CASE)***; the ***SF Unified School District***; and the ***San Francisco Early Learning Alliance (SFELA)*** for enrolling low-income families.
- CCCC will offer a convenient, income-based childcare option and access to supplemental educational resources, furthering a proper public purpose for the residents and City employees of the Civic Center community.

Terms of Agreement

- The lease provides CCCC with an initial 10-year term and two options to renew for 10 years each.
- At \$1.00 per year, the nominal rent is commonly used in agreements between the City and non-profit childcare providers in City-owned and leased buildings, including the previous provider at City Hall.
- The proposed resolution will provide authorization to execute a lease with CCCC following development of their design documents and receipt of permits to undertake, at its own cost, approved tenant improvements (TIs).
- The City will ensure that the mechanical, electrical and plumbing infrastructure serving CCCC's premises are in good working to support their TIs. Their facility will also receive the basic custodial and utility services provided for the rest of the building.

QUESTIONS?

CITY AND COUNTY OF SAN FRANCISCO
REVOCABLE PERMIT TO ENTER AND USE PROPERTY
(Lot 001, Block 07878, San Francisco)

THIS REVOCABLE PERMIT TO ENTER AND USE PROPERTY (this "**Permit**") dated for reference purposes only as of February 14, 2024, is made by and between the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation ("**City**"), acting through the Department of Real Estate, and CHINATOWN COMMUNITY CHILDREN'S CENTER, a California nonprofit public benefit corporation ("**Permittee**").

City and Permittee agree as follows:

1. **Permit.** City confers to Permittee a personal, unassignable, non-exclusive and non-possessory privilege for Permittee and its Agents and Invitees (both as defined in Section 15) to enter upon and use a portion of the building commonly known as San Francisco City Hall and located at 1 Dr. Carlton B. Goodlett Place in the City and County of San Francisco, Lot 001, Block 07878, comprised of approximately 4,372 rentable square feet on the ground floor of the building thereon, designated as Suites 068 and 080, and the children's play area comprised of approximately 3,900 rentable square feet located in front of the McAllister Street side of the building, as shown on the plans attached hereto as Exhibit A and Exhibit A.1 (the "**Permit Area**"), for the limited purpose and subject to the terms, conditions and restrictions set forth below. This Permit gives Permittee a license only, for the limited term specified below, and notwithstanding anything to the contrary herein, this Permit does not constitute a grant by City of any ownership, leasehold, easement or other property interest or estate whatsoever in the Permit Area, or any portion thereof. The privilege given to Permittee under this Permit is effective only insofar as the rights of City in the Permit Area are concerned, and Permittee shall obtain any further permission necessary because of any other existing rights affecting the Permit Area.

2. **Use of Permit Area.**

2.1 **Hours.** Permittee may enter and use the Permit Area, from Monday through Friday between the hours of 8:00 am and 6:00 pm for the purposes in this Section. All approvals required by City must be requested of and obtained from, in writing, the "City Hall Building Manager", whose contact information appears below:

Rob Reiter
District Project Director – Civic Center Campus
1 Dr. Carlton B. Goodlett Place, Room 008
San Francisco, CA 94102
415-554-7441 Desk
415-699-3574 Cell
rob.reiter@sfgov.org

2.2 **Permitted Uses.** The permitted uses under this Permit are limited to non-invasive due diligence-related activities and design work in the Permit Area by Permittee and its Agents and Invitees and performing Permittee's obligations under this Permit. Examples of the Due Diligence Work include: conducting facility and asset condition assessments; verifying space dimensions; developing program fit analyses; identifying

location and capacity of electric and telecommunications utilities facilities; identifying needs for fixtures and finish enhancement and replacement; analysis of existing conditions relative to code and regulatory requirements; safety planning; determination of certain facility-driven operations; inspections; development of schematics and preliminary designs; construction bidding and planning and relevant purposes facilitated by access to the Permit Area.

2.3 Baseline Documentation. Permittee must document the condition of the Permit Area before the commencement of any due diligence work through the use of photographs, maps, and any other appropriate documentation to provide a pre-work baseline to monitor impacts. Permittee will consult with City to determine the appropriate documentation. Permittee will provide City with a copy of that documentation before any work begins.

2.4 Exercise of Due Care; Non-Interference. Permittee will use, and will cause its Agents and Invitees to use, due care at all times to avoid any damage or harm to City's property or interference with the use of the Permit Area by City or its Agents or Invitees.

2.5 Cleanup of Permit Area. Immediately following completion of any activity on the Permit Area by Permittee or its Agents or Invitees, Permittee will remove all debris and any excess dirt in the Permit Area to its condition immediately before that activity, to the satisfaction of City.

3. Restrictions on Use. Permittee agrees that, by way of example only and without limitation, the following uses of the Permit Area by Permittee or any other person claiming by or through Permittee are inconsistent with the limited purpose of this Permit and are strictly prohibited. The uses listed below are not exclusive and this Section does not limit the City's authority to specify additional restrictions on the use of the Permit Area, in City's sole discretion.

3.1 Improvements, Fixtures, Equipment and Personal Property. Permittee shall not, nor permit any of its Agents or Invitees to, construct, install, affix or otherwise make improvements or install any fixtures, equipment, or personal property of any kind in the Permit Area.

3.2 Invasive Testing. Permittee shall not perform or caused to be performed any tests, sampling or other activities of an invasive or destructive nature in the Permit Area

3.3 Dumping. Permittee shall not dump or dispose of refuse or other unsightly materials on, in, under or about the Permit Area.

3.4 Hazardous Material. Permittee shall not cause, nor shall Permittee allow any of its Agents or Invitees to cause, any Hazardous Material (as defined below) to be brought upon, kept, used, stored, generated or disposed of in, on or about the Permit Area, or transported to or from the Permit Area. Permittee shall immediately notify City when Permittee learns of, or has reason to believe that, a release of Hazardous Material has occurred in, on or about the Permit Area. Permittee shall further comply with all laws requiring notice of such releases or threatened releases to governmental agencies, and shall take all action necessary to mitigate the release or minimize the spread of contamination. In the event that Permittee or its Agents or Invitees cause a release of Hazardous Material, Permittee shall, without cost to City and in accordance with all laws and regulations, return the Permit Area to the condition immediately prior to the release.

In connection therewith, Permittee shall afford City a full opportunity to participate in any discussion with governmental agencies regarding any settlement agreement, cleanup or abatement agreement, consent decree or other compromise proceeding involving Hazardous Material. For purposes hereof, "Hazardous Material" means material that, because of its quantity, concentration or physical or chemical characteristics, is at any time now or hereafter deemed by any federal, state or local governmental authority to pose a present or potential hazard to public health, welfare or the environment. Hazardous Material includes, without limitation, any material or substance defined as a "hazardous substance, pollutant or contaminant" pursuant to the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. Sections 9601 et seq., or pursuant to Section 25316 of the California Health & Safety Code; a "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 Permit Area or are naturally occurring substances in the Permit Area, and any petroleum, including, without limitation, crude oil or any fraction thereof, natural gas or natural gas liquids. The term "release" or "threatened 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 in, on, under or about the Permit Area.

3.5 **Nuisances.** Permittee shall not conduct any activities on or about the Permit Area that constitute waste, nuisance or unreasonable annoyance (including, without limitation, emission of objectionable odors, noises or lights) to City, to the owners or occupants of neighboring property or to the public.

3.6 **Damage.** Permittee shall not do anything in or about the Permit Area that will cause damage to any of City's property. Permittee shall promptly repair any damage done by Permittee, its Agents and Invitees, to the satisfaction of the Director of Property.

4. **Additional Requirements.** Permittee shall comply with the Additional City Requirements attached as Exhibit B and the Building Rules and Regulations attached as Exhibit C. Permittee acknowledges that the Building Rules and Regulations apply to all City Hall tenants and licensees and describe certain uses that Permittee is not permitted to conduct in the Permit Area and Common Area that Permittee is not permitted to use under this Permit. Permittee agrees that its rights under this Permit are limited to the Permit Area and the activities described in Section 2.2, and shall not include any other areas or activities described in the Building Rules and Regulations. All references to "tenant", "premises" or "lease" in the Building Rules and Regulations shall be deemed to mean, as applicable, the Permittee, the Permit Area and this Permit.

5. **Permit Fee.** Permittee shall pay to City a one-time non-refundable permit fee in the amount of one hundred dollars (\$100.00) to cover City's processing and other administrative costs. Such fee is payable at such time as Permittee signs and delivers this Permit to City. Payment shall be made in cash or by cashier's check payable to the City and County of San Francisco and delivered to City's Director of Property at the primary address for notices to City specified below, or such other place as City may designate in writing. Without limiting its right to revoke this Permit or any of its other rights hereunder, City may at any time, on not less than 10 days' written notice to Permittee, charge a monthly fee for use of the Permit Area, and City may increase the monthly fee from time to time.

6. **Term of Permit.** The privilege given to Permittee pursuant to this Permit is temporary only and shall commence at 8:00 a.m. on February 14, 2024, and shall continue on a month to month basis until terminated upon two (2) weeks advance written

notice from either City or Permittee to the other party or any earlier termination on the terms of this Permit. Without limiting any of its rights hereunder, City may at its sole option freely revoke this Permit at any time, without cause and without any obligation to pay any consideration to Permittee.

7. Insurance

7.1 Permittee will procure and keep in effect at all times during the term of this Permit, at Permittee's expense, and cause its contractors and subcontractors to maintain at all times during any work or construction activities on the Permit Area insurance as follows:

(a) General Liability Insurance with limits not less than Two Million Dollars (\$2,000,000) each occurrence Combined Single Limit for Bodily Injury and Property Damage, including coverages for Contractual Liability, Personal Injury, Independent Permittees, Explosion, Collapse and Underground (XCU), Broad Form Property Damage, Products Liability and Completed Operations;

(b) Automobile Liability Insurance with limits not less than One Million Dollars (\$1,000,000) each occurrence Combined Single Limit for Bodily Injury and Property Damage, including coverages for owned, non-owned and hired automobiles, as applicable, and Sudden and Accidental Pollution; and

(c) Workers' Compensation Insurance with Employer's Liability Coverage with limits of not less than One Million Dollars (\$1,000,000) each accident.

7.2 All liability policies must provide for the following: (i) name as additional insureds the City and County of San Francisco, its officers, agents, and employees; and (ii) specify that the policies are primary insurance to any other insurance available to the additional insureds, with respect to any claims arising out of this Permit and that insurance applies separately to each insured against whom claim is made or suit is brought. The policies must also provide for severability of interests and that an act or omission of one of the named insureds that would void or otherwise reduce coverage will not reduce or void the coverage as to any insured, and will afford coverage for all claims based on acts, omissions, injury, or damage that occurred or arose (or the onset of which occurred or arose) in whole or in part during the policy period. Sudden and accidental pollution coverage in the liability policies required by this Permit will be limited to losses resulting from Permittee's activities (and Permittee's Agents and Invitees) under this Permit (excluding non-negligent aggravation of existing conditions with respect to Hazardous Materials).

7.3 All insurance policies Permittee is required to maintain must be endorsed to provide for thirty (30) days' prior written notice of cancellation for any reason, non-renewal, or reduction in coverage to both Permittee and City. Notice to City will be mailed to the address(es) for City set forth in Section 19.

7.4 Before the commencement date of this Permit, Permittee will deliver to City certificates of insurance and additional insured policy endorsements from insurers in a form satisfactory to City, evidencing the coverages required, together with complete copies of the policies at City's request. If Permittee fails to procure the required insurance, or to deliver the policies or certificates, then City may procure the required insurance for the account of Permittee, and Permittee will pay the cost of those policies will to City within five (5) days after delivery an invoice.

7.5 If any of the required insurance is provided under a form of coverage that includes a general annual aggregate limit or provides that claims investigation or legal defense costs be included in the general annual aggregate limit, then the general aggregate limit must be double the occurrence or claims limits specified above.

7.6 If any of the required insurance is provided under a claims made form, then Permittee will maintain that coverage continuously throughout the term of this Permit and, without lapse, for a period of three (3) years beyond the Permit expiration, to the effect that, if any occurrences during the Permit term give rise to claims made after expiration of the Permit, then those claims will be covered by the claims-made policies.

7.7 On City's request, Permittee and City will periodically review the limits and types of insurance carried under this Section. If the general commercial practice in the City and County of San Francisco is to carry liability insurance in an amount or coverage materially greater than the amount or coverage then being carried by Permittee for risks comparable to those associated with the Permit Area, then City in its sole discretion may require Permittee to increase the amounts or coverage carried by Permittee to conform to the general commercial practice.

7.8 Permittee's compliance with the provisions of this Section will in no way relieve or decrease Permittee's indemnification obligations under this Permit or any of Permittee's other obligations under this Permit. Notwithstanding anything to the contrary in this Permit, this Permit will terminate immediately, without notice to Permittee, on the lapse of any required insurance coverage. Permittee will be responsible, at its expense, for separately insuring Permittee's personal property.

8. Compliance with Laws. Permittee shall, at its expense, conduct and cause to be conducted all activities on the Permit Area allowed hereunder in a safe and prudent manner and in compliance with all laws, regulations, codes, ordinances and orders of any governmental or other regulatory entity (including, without limitation, the Americans with Disabilities Act and any other disability access laws), whether presently in effect or subsequently adopted and whether or not in the contemplation of the parties. Permittee shall, at its sole expense, procure and maintain in force at all times during its use of the Permit Area any and all business and other permits or approvals necessary to conduct the activities allowed hereunder. Permittee understands and agrees that City is entering into this Permit in its capacity as a property owner with a proprietary interest in the Permit Area and not as a regulatory agency with police powers. Nothing herein shall limit in any way Permittee's obligation to obtain any required regulatory approvals from City departments, boards or commissions or other governmental regulatory authorities or limit in any way City's exercise of its police powers.

9. Covenant to Maintain Permit Area. In connection with its use hereunder, Permittee shall at all times, at its sole cost, maintain the Permit Area in a good, clean, safe, secure, sanitary and sightly condition, so far as the Permit Area may be affected by Permittee's activities hereunder. Permittee agrees that City will have no duty whatsoever to clean or maintain the Permit Area.

10. Surrender. Upon the expiration of this Permit or within 10 business days after any sooner revocation or other termination of this Permit, Permittee shall surrender the Permit Area in the same condition as received, and broom clean, free from hazards and clear of all debris. At such time, Permittee shall remove all of its property, including furniture, fixtures and equipment from the Permit Area and any signs permitted hereunder, and shall repair, at its cost, any damage to the Permit Area caused by such

removal. Permittee's obligations under this Section shall survive any termination of this Permit.

11. Waiver of Claims; Waiver of Consequential and Incidental Damages.

11.1 Neither City nor any of its commissions, departments, boards, officers, agents or employees shall be liable for any damage to the property of Permittee or its Agents, or for any bodily injury or death to such persons, resulting or arising from the condition of the Permit Area or its use by Permittee. City will not be responsible for or liable to Permittee, and Permittee hereby assumes the risk of, and waives and releases City and its Agents from all Losses (as defined in Section 15), whether direct or indirect, known or unknown, foreseen or unforeseen, arising out of any of the following: (a) injury to or death of any person; or (b) loss of, injury or damage to, or destruction of any tangible or intangible property, including the resulting loss of use, economic losses, and consequential or resulting damage of any kind from any cause, including building defects, building System malfunctions or failures, and other property conditions. Nothing in this Section will relieve City from liability caused solely and directly by the active gross negligence or willful misconduct of City or its Agents, but City will not be liable under any circumstances for any consequential, incidental, or punitive damages.

11.2 Permittee acknowledges that it will not be a displaced person at the time this Permit is terminated or expires by its own terms, and Permittee fully RELEASES, WAIVES AND DISCHARGES forever any and all claims, demands, rights, and causes of action 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 present or future laws, statutes, or regulations, including, without limitation, any and all claims for relocation benefits or assistance from City under federal and state relocation assistance laws.

11.3 Permittee expressly acknowledges and agrees that the fees payable under this Permit do not take into account any potential liability of City for any consequential, special, or incidental damages including, but not limited to, lost profits arising out of disruption to the facilities or Permittee's uses under this Permit. City would not be willing to give this Permit in the absence of a complete waiver of liability for consequential, special, and incidental damages due to the acts or omissions of City or its Agents, and Permittee expressly assumes all risk with respect thereto. Accordingly, without limiting any indemnification obligations of Permittee or other waivers contained in this Permit and as a material part of the consideration for this Permit, Permittee fully RELEASES, WAIVES AND DISCHARGES forever any and all claims, demands, rights, and causes of action for consequential, special, and incidental damages (including without limitation, lost profits), and covenants not to sue for such damages, City, its Agents, and all persons acting by, through or under each of them, arising out of this Permit or the uses authorized under this Permit, including, without limitation, any interference with uses conducted by Permittee under this Permit, regardless of the cause, and whether or not due to the negligence or gross negligence of City or its Agents.

11.4 In connection with the foregoing releases of this Section 11, Permittee acknowledges that it is familiar with Section 1542 of the California Civil Code, which reads:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR

HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

Permittee acknowledges that the releases contained herein includes all known and unknown, disclosed and undisclosed, and anticipated and unanticipated claims. Permittee realizes and acknowledges that it has agreed upon this Permit in light of this realization and, being fully aware of this situation, it nevertheless intends to waive the benefit of Civil Code Section 1542, or any statute or other similar law now or later in effect. The releases contained herein shall survive any termination of this Permit.

12. Repair of Damage. If any portion of the Permit Area or any property of City located on or about the Permit Area is damaged by any of the activities conducted by Permittee or its Agents or Invitees hereunder, Permittee shall immediately, at its sole cost, repair any and all such damage and restore the Permit Area or property to its previous condition.

13. City's Right to Cure Defaults by Permittee. If Permittee fails to perform any of its obligations under this Permit to restore the Permit Area or repair damage, or if Permittee defaults in the performance of any of its other obligations under this Permit, then City may, at its sole option, remedy such failure for Permittee's account and at Permittee's expense by providing Permittee with three (3) days' prior written or oral notice of City's intention to cure such default (except that no such prior notice shall be required in the event of an emergency as determined by City). Such action by City shall not be construed as a waiver of any rights or remedies of City under this Permit, and nothing herein shall imply any duty of City to do any act that Permittee is obligated to perform. Permittee shall pay to City upon demand, all costs, damages, expenses or liabilities incurred by City, including, without limitation, reasonable attorneys' fees, in remedying or attempting to remedy such default. Without limiting the foregoing, following notice and a reasonable cure period of not less than 10 days, City shall have the right to exercise any and all remedies available at law or in equity in the event of a default by Permittee. Permittee's obligations under this Section shall survive the termination of this Permit.

14. No Costs to City. Permittee shall bear all costs or expenses of any kind or nature in connection with its use of the Permit Area, and shall keep the Permit Area free and clear of any liens or claims of lien arising out of or in any way connected with its use of the Permit Area.

15. Indemnity. Permittee shall indemnify, defend and hold harmless City and, its commissions, departments, boards, officers, agents, employees and contractors, subcontractors, and each of them, from and against any and all demands, claims, legal or administrative proceedings, losses, costs, expenses, penalties, fines, liens, judgments, settlements, damages and liabilities, including direct and vicarious liability of any kind (collectively, "**Losses**"), incurred in connection with or arising in any manner out of (a) any injury to or death of any person or damage to or destruction of any property occurring in, on or about the Permit Area, or any part thereof, whether the person or property of Permittee, its officers, agents, employees, contractors or subcontractors (collectively, "**Agents**"), its invitees, guests or business visitors (collectively, "**Invitees**"), or third persons, relating in any manner to any use or activity under this Permit, (b) any failure by Permittee to faithfully observe or perform any of the terms, covenants or conditions of this Permit, (c) the use of the Permit Area or any activities conducted thereon by Permittee, its Agents or Invitees, or (d) any release or discharge, or threatened release or discharge, of any Hazardous Material caused or allowed by Permittee, its Agents or Invitees, on, in, under or about the Permit Area, any improvements thereon, or

into the environment; except solely to the extent of Losses resulting directly from the willful misconduct or gross negligence of City or City's authorized representatives. The foregoing indemnity shall include, without limitation, reasonable attorneys' and consultants' fees, investigation and remediation costs and all other reasonable costs and expenses incurred by the indemnified parties, including, without limitation, damages for decrease in the value of the Permit Area and claims for damages or decreases in the value of adjoining property. Permittee specifically acknowledges and agrees that it has an immediate and independent obligation to defend City from any claim which actually or potentially falls within this 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 Permittee by City and continues at all times thereafter. Permittee's obligations under this Section shall survive the expiration or other termination of this Permit.

16. As Is Condition of Permit Area; Disability Access; Disclaimer of Representations.

16.1 Permittee accepts the Permit Area in its "AS IS" condition, without representation or warranty of any kind by City, its officers, agents or employees, including, without limitation, the suitability, safety, or duration of availability of the Permit Area or any facilities on the Permit Area, for Permittee's use. Without limiting the foregoing, this Permit is made subject to all applicable laws, rules and ordinances governing the use of the Permit Area, and to any and all covenants, conditions, restrictions, easements, encumbrances, claims of title and other title matters affecting the Permit Area, whether foreseen or unforeseen, and whether such matters are of record or would be disclosed by an accurate inspection or survey. It is Permittee's sole obligation to conduct an independent investigation of the Permit Area and all matters relating to its use of the Permit Area hereunder, including, without limitation, the suitability of the Permit Area for such uses. Permittee, at its own expense, shall obtain such permission or other approvals from any third parties with existing rights as may be necessary for Permittee to make use of the Permit Area in the manner contemplated hereby.

16.2 Under California Civil Code Section 1938, to the extent applicable to this Permit, Permittee is advised that the Permit Area has not undergone inspection by a Certified Access Specialist ("CASp") to determine whether it meets all applicable construction-related accessibility requirements.

"A CASp can inspect the Permit Area and determine if it complies with all the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the Permit Area, City may not prohibit Permittee from obtaining a CASp inspection of the Permit Area for the occupancy or potential occupancy of Permittee if requested by Permittee. City and Permittee will mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the CASp inspection fee, and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the Permit Area."

Permittee acknowledges that before the execution of this Permit, City provided Permittee with, and Permittee signed, the Disability Access Obligations Notice described in San Francisco Administrative Code Section 38.3. City will use reasonable efforts to notify the Permittee if making any alterations or improvements that might impact accessibility to the Permit Area under any disability access laws.

17. **No Assignment.** This Permit is personal to Permittee and shall not be assigned, conveyed or otherwise transferred by Permittee under any circumstances. Any attempt to assign, convey or otherwise transfer this Permit shall be null and void and cause the immediate termination and revocation of this Permit.

18. **No Joint Ventures or Partnership.** This Permit does not create a partnership or joint venture between City and Permittee as to any activity conducted by Permittee on, in or relating to the Permit Area. Permittee is not a State actor with respect to any activity conducted by Permittee on, in, or under the Permit Area. The giving of this Permit by City does not constitute authorization or approval by City of any activity conducted by Permittee on, in or relating to the Permit Area.

19. **Notices.** Except as otherwise expressly provided herein, any notices given under this Permit shall be effective only if in writing and given by delivering the notice in person, by sending it first class mail or certified mail with a return receipt requested or overnight courier, return receipt requested, with postage prepaid, addressed as follows:

City: Real Estate Department
25 Van Ness Avenue, Suite 400
San Francisco, CA 94102
Attn: Director of Property

Permittee: Chinatown Community Children's Center
979 Clay Street,
San Francisco, CA 94108
Attn: Anne Kwong
Executive Director
415-986-2528
415-771-4869
anne@childrencenter.org

Notices herein shall be deemed given two (2) days after the date when it shall have been mailed if sent by first class, certified or overnight courier, or upon the date personal delivery is made.

20. **General Provisions.** (a) This Permit may be amended or modified only by a writing signed by City and Permittee. (b) No waiver by any party of any of the provisions of this Permit shall be effective unless in writing and signed by an officer of other authorized representative, and only to the extent expressly provided in such written waiver. (c) All approvals and determinations of City requested, required or permitted hereunder may be made in the sole and absolute discretion of the Director of Property or other authorized City official. (d) This instrument (including the exhibit(s) hereto) contains the entire agreement between the parties and all prior written or oral negotiations, discussions, understandings and agreements are merged herein. (e) The section and other headings of this Permit are for convenience of reference only and shall be disregarded in the interpretation of this Permit. (f) Time is of the essence. (g) This Permit shall be governed by California law and City's Charter. (h) If either party commences an action against the other or a dispute arises under this Permit, the prevailing party shall be entitled to recover from the other reasonable attorneys' fees and costs. For purposes hereof, reasonable attorneys' fees of City shall be based on the fees regularly charged by private attorneys in San Francisco with comparable experience. (i) If Permittee consists of more than one person then the obligations of each person shall be joint and several. (j) Permittee may not record this Permit or any memorandum hereof.

(k) Subject to the prohibition against assignments or other transfers by Permittee hereunder, this Permit shall be binding upon and inure to the benefit of the parties and their respective heirs, representatives, successors and assigns. (l) This Permit may be executed in two or more counterparts and may be delivered by electronic means, each of which will be deemed an original, but all of which taken together will constitute one and the same instrument.

[Signatures appear on following page]

IN WITNESS HEREOF, the parties have executed this Revocable Permit to Enter and Use Property as of the date first above written.

PERMITTEE:

CHINATOWN COMMUNITY CHILDREN'S CENTER, a California nonprofit public benefit corporation

Anne Kwong
DocuSigned by:
608B6BBE15D0447...

By: _____ 2/13/2024
Anne Kwong
Its: Executive Director

CITY:

CITY AND COUNTY OF SAN FRANCISCO a municipal corporation

Andrico Q. Penick
DocuSigned by:
3441150C0287459...

By: _____ 2/20/2024
ANDRICO Q. PENICK
Director of Property
(pursuant to San Francisco Administrative Code Section 23.31)

APPROVED AS TO FORM:
DAVID CHIU, City Attorney

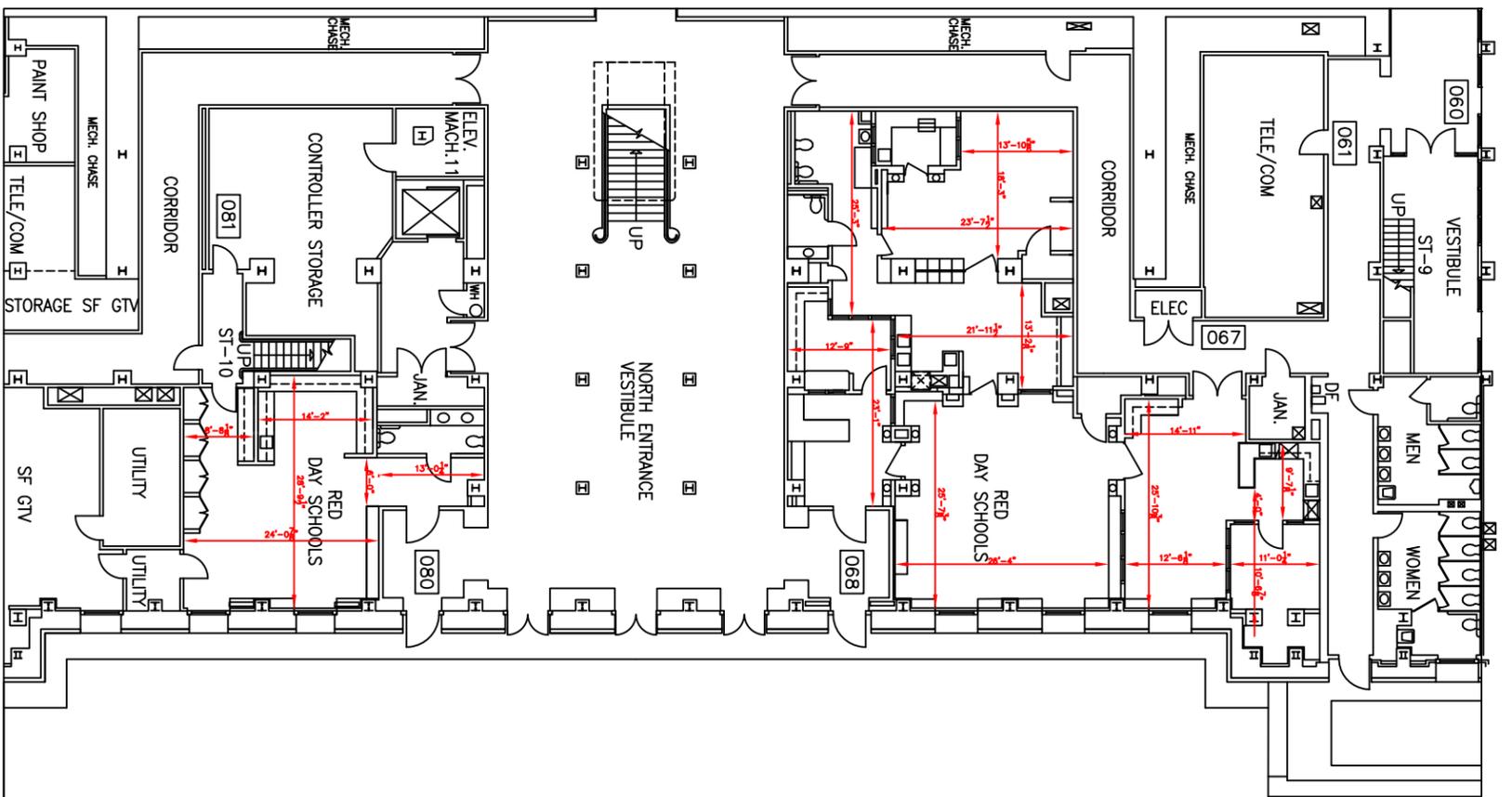
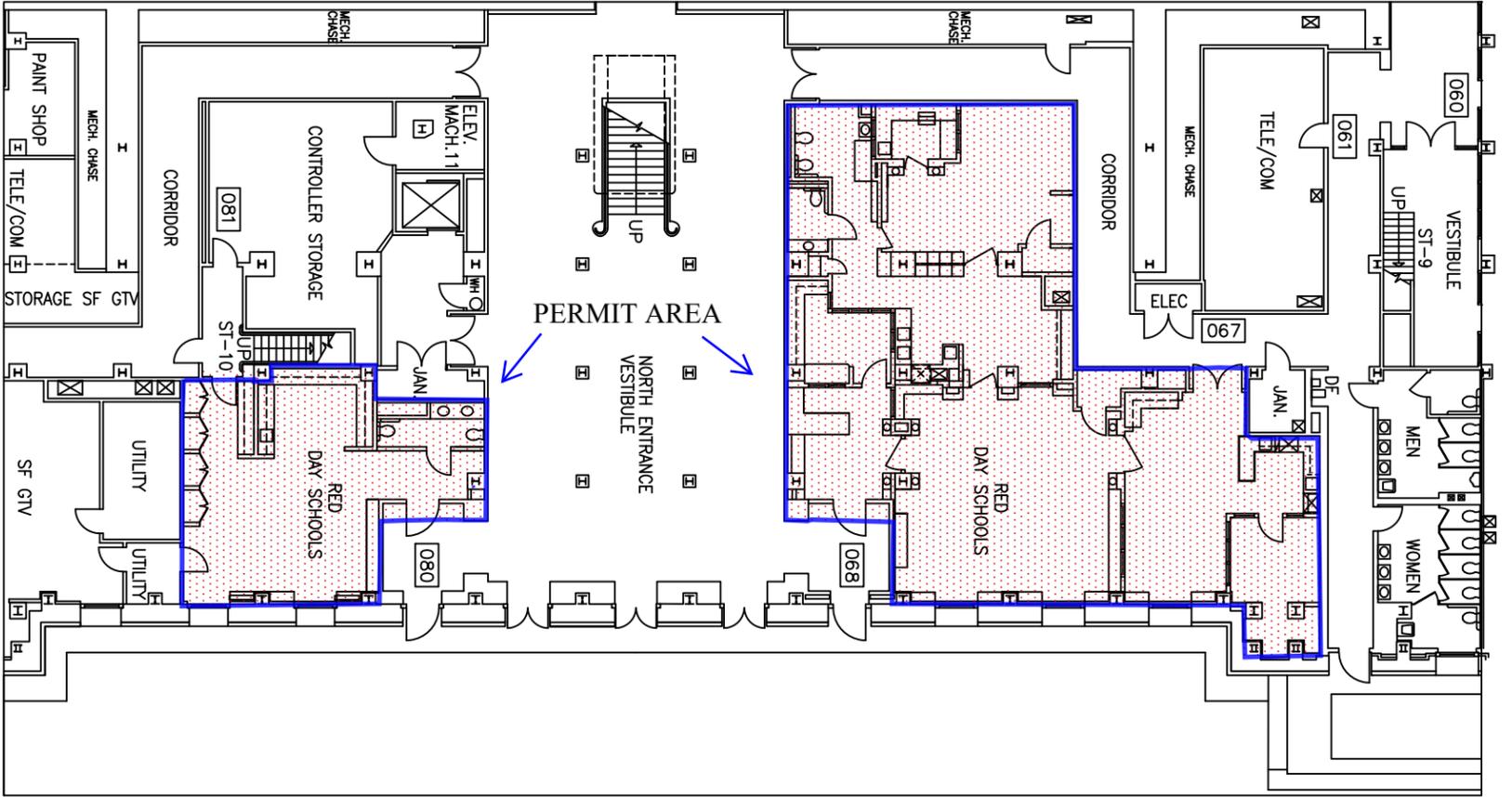
Carol Wong
DocuSigned by:
E19655437042457...

By: _____ 2/16/2024
Carol Wong
Deputy City Attorney

EXHIBIT A
PLANS

(Attached)

EXHIBIT A.1
PERMIT AREA
CITY HALL DAY CARE FACILITY



ЭЛПЫТ А.2

EXTERIOR PERMIT AREA - CITY HALL McALLISTER ST SIDE

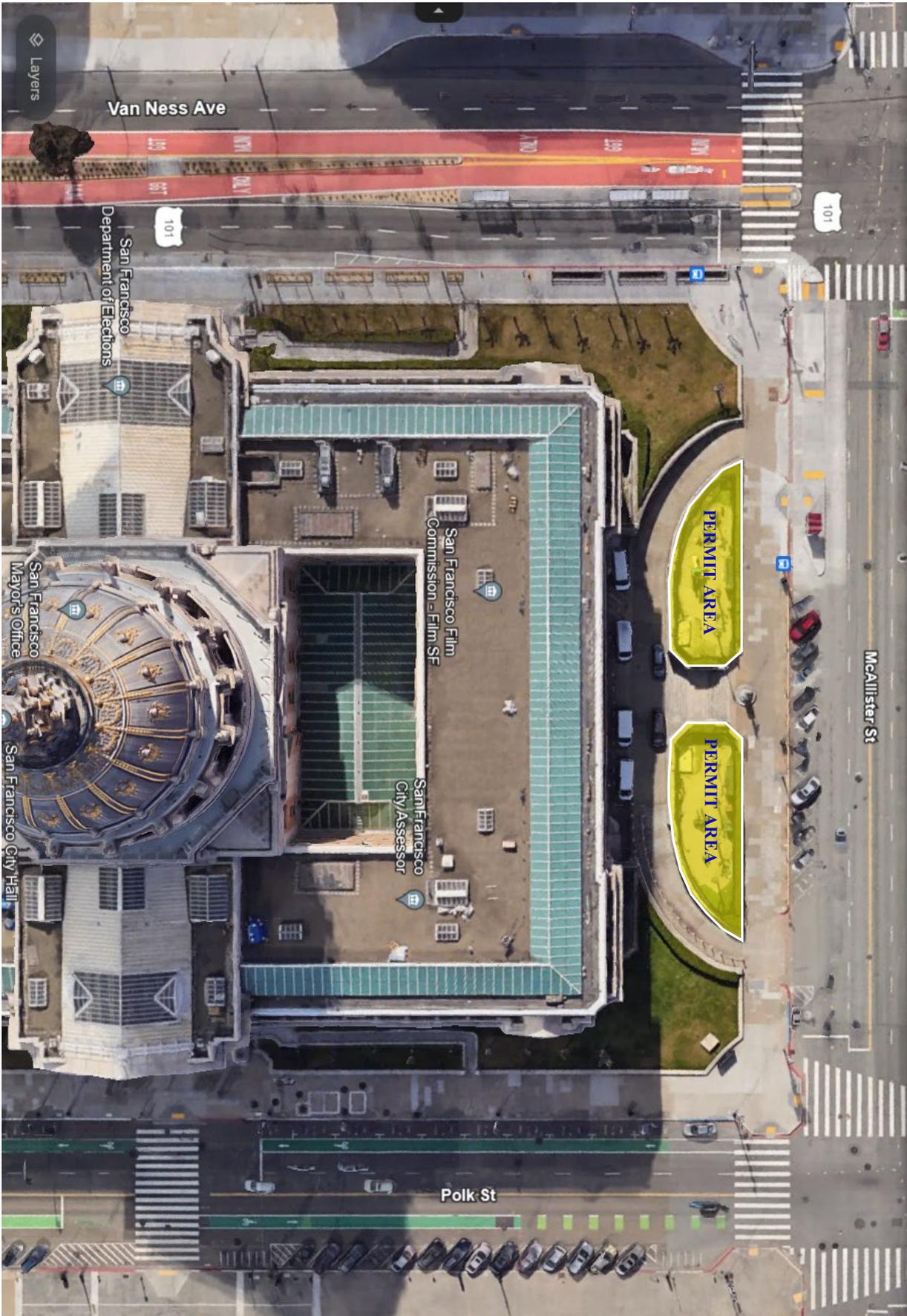


EXHIBIT B

ADDITIONAL CITY REQUIREMENTS

1. NONDISCRIMINATION

(a) **Covenant Not to Discriminate.** In the performance of this Permit, Permittee will not to discriminate against any employee of, any City employee working with Permittee, or applicant for employment with Permittee, 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.** There are no permitted subcontracts under this Permit.

(c) **Nondiscrimination in Benefits.** Permittee does not as of the date of this Permit and will not during the term of this Permit, 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 the employees, where the domestic partnership has been registered with a governmental entity under state or local law authorizing the registration, subject to the conditions set forth in Section 12B.2(b) of the San Francisco Administrative Code.

(d) **Condition to Permit.** As a condition to this Permit, Permittee 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 San Francisco Contract Monitoring Division (the "CMD"). Permittee represents that prior to execution of this Permit, (i) Permittee executed and submitted to the CMD Form CMD-12B-101 with supporting documentation, and (ii) the CMD approved the form.

(e) **Incorporation of Administrative Code Provisions by Reference.** The provisions of Chapters 12B and 12C of the San Francisco Administrative Code relating to non-discrimination by parties contracting for the use of City property are incorporated in this Section by reference and made a part of this Permit as though fully set forth. Permittee will comply fully with and be bound by all of the provisions that apply to this Permit under those Chapters of the Administrative Code. Without limiting the foregoing, Permittee understands that under Section 12B.2(h) of the San Francisco Administrative Code, a penalty of Fifty Dollars (\$50) for each person for each calendar day during which that person was discriminated against in violation of the provisions of this Permit may be assessed against Permittee and/or deducted from any payments due Permittee.

2. TROPICAL HARDWOODS AND VIRGIN REDWOOD BAN

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 product, except as expressly permitted by the application of San Francisco Environment Code sections 802(b) and 803(b). Permittee will not, except as permitted by the application of sections 802(b) and 803(b), use or incorporate any tropical hardwood, tropical hardwood wood product, virgin redwood, or virgin redwood wood product in the performance of this Permit.

3. NOTIFICATION OF PROHIBITION ON CONTRIBUTIONS

Through its execution of this Permit, Permittee 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 to or from any department of 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) a City elected official if the contract 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 commencement of negotiations for the contract until the later of either the termination of negotiations for such contract or twelve (12) months after the date the contract is approved. Permittee acknowledges that the foregoing restriction applies only if the contract or a combination or series of contracts approved by the same individual or board in a fiscal year have a total anticipated or actual value of \$100,000 or more. Permittee further acknowledges that (i) the prohibition on contributions applies to each Permittee; each member of Permittee's board of directors, and Permittee's chief executive officer, chief financial officer and chief operating officer; any person with an ownership interest of more than ten percent (10%) in Permittee; any subcontractor listed in the contract; and any committee that is sponsored or controlled by Permittee; and (ii) within thirty (30) days of the submission of a proposal for the contract, the City department with whom Permittee is contracting is obligated to submit to the Ethics Commission the parties to the contract and any subcontractor. Additionally, Permittee 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 contract, and has provided the names of the persons required to be informed to the City department with whom it is contracting.

4. POSSESSORY INTEREST TAXES

Permittee recognizes and understands that this Permit may create a possessory interest subject to property taxation and that Permittee may be subject to the payment of property taxes levied on that interest under applicable law. Permittee agrees to pay taxes of any kind, including possessory interest taxes, if any, that may be lawfully assessed on Permittee's interest under this Permit or use of the Permit Area and to pay any other taxes, excises, permits or license charges, or assessments based on Permittee's usage of the Permit Area that may be imposed on Permittee by applicable law. Permittee will pay all of charges when they become due and payable and before delinquency.

5. RESTRICTION ON THE USE OF PESTICIDES

Permittee will not use or apply or allow the use or application of any pesticides on the Permit Area or contract with any party to provide pest abatement or control services to the Permit Area.

6. PROHIBITION OF TOBACCO SALES AND ADVERTISING

Permittee acknowledges and agrees that no advertising of cigarettes or tobacco products is allowed on the Permit Area. In addition, Permittee acknowledges and agrees that no Sales, Manufacture, or Distribution of Tobacco Products (as such capitalized terms are defined in Health Code Section 19K.1) is allowed on the Permit Area.

7. PROHIBITION OF ALCOHOLIC BEVERAGE ADVERTISING

Permittee acknowledges and agrees that no advertising of alcoholic beverages is allowed on the Permit Area. This advertising prohibition includes the placement of the name of a company producing alcoholic beverages or the name of any alcoholic beverage in any promotion of any event or product.

8. DRUG-FREE WORKPLACE

Permittee acknowledges that under the Federal Drug-Free Workplace Act of 1989, the unlawful manufacture, distribution, possession, or use of a controlled substance under federal law is prohibited on City premises. Permittee agrees that any violation of this prohibition by Permittee, its Agents, or Invitees will be a material breach of this Permit.

9. CONFLICTS OF INTEREST

Through its execution of this Permit, Permittee acknowledges that it is familiar with the provisions of Article III, Chapter 2 of City's Campaign and Governmental Conduct Code, and sections 87100 et seq. and sections 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 those provisions, and agrees that if Permittee becomes aware of any such fact during the term of this Permit, Permittee will immediately notify the City.

10. FOOD SERVICE AND PACKAGING WASTE REDUCTION

Permittee will comply fully with and be bound by all of the provisions of the Food Service and Packaging Waste Reduction Ordinance, as set forth in the San Francisco Environment Code, Chapter 16, including the remedies provided in that chapter, and implementing guidelines and rules. The provisions of Chapter 16 are incorporated into this Permit by reference and made a part of this Permit as though fully set forth. This provision is a material term of this Permit. Permittee acknowledges that Chapter 16 includes monetary penalties for violations of One Hundred Dollars (\$100.00) for the first breach, Two Hundred Dollars (\$200.00) for the second breach in the same year, and Five Hundred Dollars (\$500.00) for subsequent breaches in the same year. Any assessment of those penalties will not limit City's rights under this Permit or otherwise for a breach of this Section, and are in addition to City's rights and remedies under this Permit and at law or in equity.

11. PERMITTEE'S COMPLIANCE WITH CITY BUSINESS AND TAX AND REGULATIONS CODE

Permittee 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 Permittee under this Permit is withheld, then City will not be in breach or default under this Permit, and the Treasurer and Tax Collector will authorize release of any payments withheld under this paragraph to Permittee, without interest, late fees, penalties, or other charges, upon Permittee coming back into compliance with its San Francisco Business and Tax Regulations Code obligations.

12. 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. Permittee acknowledges that it has read and understands the above statement of the City and County of San Francisco concerning doing business in Northern Ireland.

EXHIBIT C

RULES AND REGULATIONS

1. The sidewalks, halls, passages, exits, entrances, elevators and stairways of the Building shall not be obstructed by Tenant or used by it for any purpose other than for ingress to and egress from the Premises. City shall in all cases retain the right to control and prevent access to the halls, passages, exits, entrances, elevators, escalators and stairways that are not for the use of the general public, and City shall in all cases retain the right to control and prevent access thereto of all persons whose presence in the judgment of City would 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 its business, unless such persons are engaged in illegal activities. Tenant shall not go upon the roof of the Building, except in areas that City may designate as "Common Areas" from time to time.
2. No sign, placard, picture, name, advertisement or notice visible from the exterior of the Premises shall be installed or displayed by Tenant on any part of the outside or inside of the Building without the prior written consent of City. City shall have the right to remove, at Tenant's expense and without notice, any sign installed or displayed in violation of this rule. All approved signs or lettering on doors shall be printed, painted, affixed or inscribed at the expense of Tenant by a person approved by City, which approval will not be unreasonably withheld. Material visible from outside the Building will not be permitted.
3. The Premises shall not be used for lodging.
4. Tenant shall not employ any person or persons other than the janitor of City for the purpose of cleaning the Premises, unless otherwise agreed to by City in writing. Except with the written consent of City, no person or persons other than those approved by City shall be permitted to enter the Building for the purpose of cleaning same. Tenant shall not cause any unnecessary labor by reason of Tenant's carelessness or indifference in the preservation of good order and cleanliness. Janitor service will not be furnished on nights when rooms are occupied after 9:00 p.m. unless, by agreement in writing, service is extended to a later hour for specifically designated rooms.
5. Reserved.
6. The persons employed by Tenant to move equipment or other items in or out of the Building must be acceptable to City. The floors, corners and walls of elevators and corridors used for the moving of equipment or other items in or out of the Building must be adequately covered, padded and protected, and City may provide such padding and protection, at Tenant's expense, if City determines that such measures undertaken by Tenant or Tenant's movers are inadequate. City shall have the right to prescribe the weight, size and position of all equipment, materials, supplies, furniture or other property brought into the Building. Heavy objects shall, if considered necessary by City, stand on wood strips of such thickness as is necessary to properly distribute the weight of such objects. City will not be responsible for loss of or damage to any such property from any cause, and all damage done to the Building by moving or maintaining Tenant's property shall be repaired at the expense of Tenant.

7. Tenant shall not use or keep in the Premises or the Building any kerosene, gasoline or flammable, combustible or noxious fluid or materials or use any method of heating or air conditioning other than those limited quantities necessary for the operation and maintenance of normal office equipment. Tenant shall not use, keep or permit or suffer the Premises to be occupied or used in a manner offensive or objectionable to City or other occupants of the Building by reason of noise, odors, and/or vibrations, or interfere in any way with other tenants or those having business in the Building.
8. City reserves the right to exclude from the Building between the hours of 6 p.m. and 8 a.m. and at all hours on Saturdays, Sundays, and legal holidays all persons who do not present a pass to the Building signed by City and properly in the possession of the person presenting such pass. City will furnish passes to persons for whom Tenant requests the same in writing. Tenant shall be responsible for all persons for whom it requests passes and shall be liable to City for all acts of such persons. City shall in no case be liable for damages for any error with regard to the admission to or exclusion from the Building of any person. In the case of invasion, mob, riot, public excitement or other circumstances rendering such action advisable in City's opinion, City reserves the right to prevent access to the Building during the continuance of same by such action as City may deem appropriate, including closing any doors in the Building.
9. The directory of the Building will be provided for the display of the name and location of tenants and a reasonable number of the principal officers and employees of tenants, and City reserves the right to exclude any other names therefrom. Any additional name that Tenant shall desire to place upon the directory must first be approved by City and, if so approved, a charge will be made for each such name.
10. Tenant shall not cut or bore holes for wires in the partitions, woodwork or plaster of the Premises. Tenant shall not affix any floor covering to the floor of the Premises in any manner except as approved by City.
11. No curtains, draperies, blinds, shutters, shades, screens or other coverings, hangings or decorations shall be attached to, hung or placed in, or used in connection with any window of the Building without City's prior written consent. In any event, with the prior written consent of City, such items shall be installed on the office side of City's standard window covering and shall in no way be visible from the exterior of the Building.
12. Tenant shall see that the doors of the Premises are closed and locked and that all water faucets, water apparatus and utilities are shut off before Tenant or Tenant's employees leave the Premises, so as to prevent waste or damage, and for any default or carelessness in this regard Tenant shall make good all injuries sustained by other tenants or occupants of the Building or City. On multiple-tenancy floors, all tenants shall keep the doors to the Building corridors closed at all times except for ingress and egress, and all tenants shall at all times comply with any rules or orders of the fire department with respect to ingress and egress.
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, no foreign substance of any kind whatsoever shall be deposited therein. The expense of any breakage, stoppage or damage resulting in any violation of this rule shall be borne by Tenant.

14. Except with City's prior consent, Tenant shall not sell, or permit the sale from the Premises of, or use or permit the use of any sidewalk or mall area adjacent to the Premises for the sale of, newspapers, magazines, periodicals, theater tickets or any other goods, merchandise or service, nor shall Tenant carry on, or permit or allow any employee or other person to carry on, business in or from the Premises for the service or accommodation of occupants or any other portion of the Building, nor shall the Premises be used for manufacturing of any kind, or for any business or activity other than that specifically provided for in Tenant's lease.
15. Tenant shall not install any radio or television antenna, loudspeaker, or other device on or about the roof area or exterior walls of the Building. Tenant shall not interfere with radio or television broadcasting or reception from or in the Building or elsewhere.
16. Tenant shall not use in any space, or in the common areas of the Building, any hand-trucks except those equipped with rubber tires and side guards or such other material-handling equipment as City may approve. No other vehicles of any kind shall be brought by Tenant into the Building or kept in or about the Premises.
17. Tenant shall store all its trash and garbage within the Premises until removal of the same to such location in the Building as may be designated from time to time by City. No material shall be placed in the Building 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 of San Francisco without being in violation of any law or ordinance governing such disposal.
18. All loading and unloading of merchandise, supplies, materials, garbage and refuse shall be made only through such entryways and freight elevators and at such times as City shall designate. In its use of the loading areas of the Building, Tenant shall not obstruct or permit the obstruction of said loading areas, and at no time shall Tenant park vehicles therein except for immediate loading and unloading purposes.
19. Canvassing, soliciting, peddling or distribution of handbills or any other written material in the Building is prohibited and Tenant shall cooperate to prevent the same.
20. Tenant shall immediately, upon request from City (which request need not be in writing), reduce its lighting in the Premises for temporary periods designated by City, when required in City's judgment to prevent overloads of the mechanical or electrical systems of the Building.
21. City reserves the right to select the name of the Building and to make such change or changes of name as it may deem appropriate from time to time, and Tenant shall not refer to the Building by any name other than: (i) the name as selected by City (as the same may be changed from time to time), or (ii) the postal address approved by the United States Post Office. Tenant shall not use the name of the Building in any respect other than as an address of its operation in the Building without the prior written consent of the City.
22. Tenant assumes all responsibility for protecting its Premises from theft, robbery and pilferage, which includes keeping doors locked and other means of entry closed.

23. No vending machine shall be maintained or operated within the Premises or the Building without City's prior written consent.
24. All incoming mail and package deliveries shall be received at the area in the Building designated by City for such purposes and distributed through means established by City. No messenger or other delivery personnel shall be permitted to enter any area of the Building other than the area designated by City for the pick-up and receipt of such deliveries.
25. City reserves the right to exclude or expel from the Building any person who is, in the judgment of City, intoxicated or under the influence of alcohol or other drug or who is in violation of any of the Rules or Regulations of the Building.
26. No animal or bird shall be permitted in the Premises or the Building, except for seeing eye dogs when in the company of their masters.
27. The requirements of Tenant will be attended to only upon application by telephone or writing or in person at the management office of the Building. Employee of City shall not perform any work or do anything outside of their regular duties unless under special instructions from City.
28. City may waive any one or more of these Rules and Regulations for the benefit of any particular tenant or tenants, but no such waiver by City shall be construed as a waiver of these Rules and Regulations in favor of any other tenant or tenants, nor prevent City from thereafter enforcing any such Rules and Regulations against any or all of the tenants of the Building.
29. Wherever the word "Tenant" occurs in these Rules and Regulations, it is understood and agreed that it shall mean Tenant's associates, agents, clerks, employees and visitors. Wherever the word "City" occurs in these Rules and Regulations, it is understood and agreed that it shall mean City's assigns, agents, officers, employees and visitors.
30. These Rules and Regulations are in addition to, and shall not be construed in any way to modify, alter or amend, in whole or part, the terms, covenants, agreements and conditions of any lease of premises in, or license to use any portion of, the Building.
31. City reserves the right to make such other and reasonable rules and regulations as in its judgment may from time to time be needed for the safety, care and cleanliness of the Building, and for the preservation of good order therein.
32. Tenant shall be responsible for the observance of all the foregoing Rules and Regulations by Tenant's employees, agents, clients, customers, invitees and guests.

City & County of San Francisco
Daniel Lurie, Mayor



Office of the City Administrator
Carmen Chu, City Administrator
Andrico Q. Penick, Director of Real Estate

March 14, 2025

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 to the Chinatown Community Children's Center at City Hall

Dear Board Members:

Attached for your consideration is a conditional Resolution to lease suites 068 and 080 by the north vestibule entrance to City Hall and an outdoor play area in front of the McAllister Street side of the building, to the Chinatown Community Children's Center (CCCC) for a new childcare facility. The proposed lease is for a 10-year term and two 10-year renewal options on a total area of 6,372 square feet, and at an annual base rent of one dollar. The prior child care operator licensed the same space from the City, also for \$1.00 per year. The Resolution authorizes the Director of Property to execute the lease upon CCCC's receipt of approved permits from the Department of Building Inspection (DBI), for tenant improvement construction.

CCCC brings childcare service back to City Hall, providing City employees and those in the Civic Center community with family and caregiver responsibilities, a supportive, well-regarded and convenient amenity. CCCC's non-profit childcare operations rely primarily on grant funding by the City and other organizations. Pre-requisite to obtaining some grant funding was completion of a signed 30-year lease. Given the long-term limit to flexible planning for the location, size and adjacencies of critical government services at City Hall, the City proposed an initial 10-year term and two 10-year options.

CCCC's tenant improvement design and construction schedule estimates a project timeline of 30 months. Though inclusive of contingency time for permit and other required approvals, the schedule can be expected to encounter delays. Real Estate (RED) included language in the lease offering to use its best efforts to assist CCCC in obtaining reasonable turnaround timeframes for plan review and permitting. That said, the design phase of the project alone is expected to take up to approximately 20 months and rather than sign the lease at this time, with assistant from Supervisor Melgar, CCCC has agreed to take on the design phase

of the project prior to lease execution, which still preserves their grant eligibility.

The City would execute the lease once permits are issued, giving CCCC a reasonable level of security prior to committing to construction contracts.

This resolution requests conditional authorization by the Board to enter into a lease agreement with CCCC under the arrangement described by the proposed Resolution and this letter.

Should you have any questions regarding the proposed resolution or lease, please contact me at (415) 554-9860.

Respectfully,



Andrico Q. Penick
Director of Real Estate



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 #: 250270

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
Burt Hirschfeld	415-554-9850
FULL DEPARTMENT NAME	DEPARTMENT CONTACT EMAIL
ADM RED	realestateadmin@sfgov.org

5. CONTRACTOR	
NAME OF CONTRACTOR Chinatown Community Children's Center	TELEPHONE NUMBER 415-986-2528
STREET ADDRESS (including City, State and Zip Code) 979 Clay Street, San Francisco, CA 94108	EMAIL anne@schildrencenter.org

6. CONTRACT		
DATE CONTRACT WAS APPROVED BY THE CITY ELECTIVE OFFICER(S)	ORIGINAL BID/RFP NUMBER	FILE NUMBER (If applicable) 250270
DESCRIPTION OF AMOUNT OF CONTRACT \$1.00 Annual Base Rent		
NATURE OF THE CONTRACT (Please describe) Lease by City to Children's day Care at City Hall or 10 years plus two 10-year options to renew. Lease to use space in City Hall to provide childcare services to City employees.		

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	Kwong	Anne	Other Principal Officer
2	Shek	Selina	Board of Directors
3	Loi	Salei	Board of Directors
4	Feng	Alex	Board of Directors
5	Jang	Craig	Other Principal Officer
6	Tam	Candy	Board of Directors
7	Shen	Kylene	Board of Directors
8	Kwan	Lock	Board of Directors
9	Li	Gary	Board of Directors
10	Tan	Brian	Board of Directors
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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
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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):

Subject:

Long Title or text listed:

Signature of Sponsoring Supervisor: