

FIRST AMENDMENT TO LEASE

THIS FIRST AMENDMENT TO LEASE (this "**Amendment**") is made as of the Effective Date defined below, in San Francisco, California, by and between LAWRENCE B. STONE PROPERTIES #08, LLC, a Washington limited liability company ("**Landlord**"), and the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation ("**City**" or "**Tenant**") acting by and through the Real Estate Division of the Office of the City Administrator on behalf of the Department of Homelessness and Supportive Housing ("**HSH**"), pursuant to San Francisco Board of Supervisors' Resolution No. 304-25, adopted by the board on June 24, 2025, and with reference to the following facts and understandings:

RECITALS

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

A. City and Landlord are parties to that certain Lease dated for reference purposes as of November 1, 2023 (the "**Lease**") for the City's lease of that certain real property and the improvements thereon located at 2177 Jerrold Avenue, San Francisco, California (APN Block/Lot 5285A / 005), as authorized by San Francisco Board of Supervisor's Resolution No. 602-23, adopted on December 12, 2023.

B. HSH and Landlord have agreed to Landlord's completion of certain electrical utility work, as such work may be requested of Landlord by City under Lease Section 4.12 (Additional Services). The electrical work is further described in the May 2025 Work Letter attached to this Amendment as **Exhibit A** and incorporated herein by this reference.

C. City and Landlord now desire to enter into this Amendment to memorialize the terms and conditions of Landlord undertaking the work.

D. Capitalized terms used but not defined in this Amendment shall have the meanings set forth in the Lease.

ACCORDINGLY, in consideration of the foregoing Recitals, which are incorporated into this Amendment by this reference, the mutual promises and obligations of the parties contained in this Amendment, and for other good and valuable consideration, the receipt and sufficiency of which are mutually acknowledged, the City and Landlord agree as follows:

1. Amendments to Lease.

a. **Appendment of Exhibit G.** The "May 2025 Work Letter" attached to this Amendment as **Exhibit A** (the "**Work Letter**"), together with the Schedule 1 (the "**Schedule**"), is hereby appended to the Lease as **Exhibit G**. The Work Letter defines the terms and conditions for the Landlord's completion of, and City's reimbursement for the electrical project while the Schedule provides budgets in a total not to exceed amount of (\$1,246,746) for a Utilities Upgrade. **Exhibit G** is hereby incorporated into the Lease by this reference.

b. **Amendment and Restatement of Lease Section 23.3.** Lease Section 23.3 (Prevailing Wages and Working Conditions) is amended and restated in its entirety and shall hereinafter read as follows:

“23.3. Prevailing Wages and Working Conditions

Any undefined, initially-capitalized term used in this Section has the meaning given to that term in San Francisco Labor and Employment Code Section 101.1. Landlord will require its Contractors and Subcontractors performing work on any Covered Project at the Premises to pay Prevailing Wages in accordance with the requirements of San Francisco Labor and Employment Code Article 103 and employ Apprentices in accordance with San Francisco Labor and Employment Code Article 104. Any contract, subcontract, or other type of agreement for the performance of that Covered Project shall (A) require the payment of the highest general Prevailing Rate of Wages as fixed and determined in accordance with San Francisco Labor and Employment Code Section 103.2 to all persons performing labor or work for the Covered Project and employment of Apprentices in accordance with San Francisco Labor and Employment Code Article 104, (B) require all records described in San Francisco Labor and Employment Code Section 103.3(e) to be kept and submitted in compliance with the requirements of that subsection, (C) 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 of San Francisco Labor and Employment Code Article 103 and apprenticeship requirements of San Francisco Labor and Employment Code Article 104, including the right to file charges and seek penalties against any Contractor or Subcontractor in accordance with San Francisco Labor and Employment Code Articles 103 through 106, (D) include the Prevailing Rate of Wages or a statement that copies of the Prevailing Rate of Wages as fixed and determined in accordance with Section 103.2 are on file at the job site and available to any interested party on request, and (E) include the following provisions:

- (1) the Contractor will cooperate fully with the Labor Standards Enforcement Officer and other City employees and agents authorized to assist in the administration and enforcement of the Prevailing Wage requirements and other labor standards imposed on the Contractor by the Charter or the San Francisco Municipal Code;
- (2) the Contractor agrees that the Labor Standards Enforcement Officer, and the Officer’s designees, in the performance of their duties, shall have the right to engage in random inspections of job sites and to have access to the employees of the Contractor, employee time sheets, inspection logs, Contractor daily logs, payroll records, employee paychecks, employee paystubs, and proof of payment documents;
- (3) the Contractor shall maintain a record in the format prescribed by the Office of Labor Standards Enforcement of sign-in and sign-out showing which employees have been present on the job site;
- (4) the Contractor shall prominently post at each job site a sign informing employees that the project is subject to the Prevailing Wage requirements and that these requirements are enforced by the Labor Standards Enforcement Officer; and

(5) the Labor Standards Enforcement Officer may audit such records of the Contractor or Subcontractor as the Labor Standards Enforcement Officer reasonably deems necessary to determine compliance with the Prevailing Wage and other labor standards imposed by the San Francisco Charter or the San Francisco Municipal Code.

Failure to comply with any of these requirements may result in penalties and forfeitures consistent with analogous provisions of the California Labor Code, including Section 1776(h), as amended from time to time.

Landlord will reasonably cooperate with City in any action or proceeding against a Contractor or Subcontractor that fails to pay the Prevailing Rate of Wages or employ Apprentices as required. Landlord's failure to comply with its obligations under this Section will constitute a material breach of this Lease. A Contractor's or Subcontractor's failure to comply with this Section will enable City to seek the remedies specified in accordance with San Francisco Labor and Employment Code Articles 103 through 106 against the breaching party."

c. **Amendment and Restatement of Lease Section 23.4.** Lease Section 23.4 is hereby amended and restated in its entirety shall hereinafter read as follows:

"23.4 Non-Discrimination in City Contracts and Benefits Ordinance

(a) Covenant Not to Discriminate

In the performance of this Lease, Landlord will not to discriminate against any employee of Landlord, any City employee working with Landlord, any applicant for employment with Landlord, or against any person seeking accommodations, advantages, facilities, privileges, services, or membership in all business, social, or other establishments or organizations on the basis of the fact or perception of a person's race, color, creed, religion, national origin, ancestry, age, height, weight, sex, sexual orientation, gender identity, domestic partner status, marital status, disability or Acquired Immune Deficiency Syndrome or HIV status (AIDS/HIV status), or association with members of those protected classes, or in retaliation for opposition to discrimination against those classes.

(b) Subcontracts

Landlord will include in all subcontracts relating to the Premises a non-discrimination clause applicable to the subcontractor in substantially the form of subsection (a) above. In addition, Landlord will incorporate by reference in all subcontracts the provisions of San Francisco Labor and Employment Code Sections 131.2(a), 131.2(c)-(k), and (m) and 132.3 and require all subcontractors to comply with those provisions. Landlord's failure to comply with the obligations in this subsection will constitute a material breach of this Lease.

(c) Non-Discrimination in Benefits

Landlord does not as of the date of this Lease, and will not during the Term, in any of its operations in San Francisco, on real property owned by City, or where the work is being performed for City or elsewhere within the United States, discriminate in the provision of bereavement leave, family medical leave, health benefits, membership or membership discounts, moving expenses, pension and retirement benefits, or travel benefits, as well as any benefits other than the benefits specified above, between employees with domestic partners and employees with spouses, and/or between the domestic partners and spouses of the employees,

where the domestic partnership has been registered with a governmental entity under state or local law authorizing that registration, subject to the conditions set forth in San Francisco Labor and Employment Code Section 131.2(b).

(d) CMD Form

As a condition to this Lease, Landlord will execute the City's required form with supporting documentation and secure the approval of the form by the San Francisco Contract Monitoring Division (the "CMD"). Landlord represents that before execution of the Lease:

(i) Landlord executed and submitted to the CMD the City's required form with supporting documentation, and **(ii)** the CMD approved the form.

(e) Incorporation of Labor and Employment Code Provisions by Reference

The provisions of San Francisco Labor and Employment Code Articles 131 and 132 relating to non-discrimination by parties contracting for the lease of property to City are incorporated into this Section by reference and made a part of this Lease as though fully set forth. Landlord will comply fully with and be bound by all of the provisions that apply to this Lease under Labor and Employment Code Articles 131 and 132, including the remedies provided in those Chapters. Without limiting the foregoing, Landlord understands that under San Francisco Labor and Employment Code Section 131.2(h) a penalty of Fifty Dollars (\$50) for each person for each calendar day during which that person was discriminated against in violation of the provisions of this Lease may be assessed against Landlord and/or deducted from any payments due Landlord."

2. Obligations Joint and Several. All obligations of the parties comprising Landlord under the Lease shall be joint and several. For all purposes of this Amendment, Landlord shall be deemed one entity and Landlord shall have no defense or claim resulting from or relating to the fact that Landlord is comprised of more than one party.

3. No Joint Venture. This Amendment or any activity by the City hereunder does not create a partnership or joint venture between the City and Landlord relating to the Lease or otherwise. This Amendment does not constitute authorization or approval by the City of any activity conducted by Landlord, and the City shall in no way be responsible for the acts or omissions of Landlord on the Premises or otherwise.

4. Governing Law. This Amendment will be governed by, construed and enforced in accordance with the laws of the State of California (but without regard to its choice of law provisions) and the City's Charter. Any legal suit, action, or proceeding arising out of or relating to the Amendment 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 Amendment or the Lease has been brought in an inconvenient forum.

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

6. Notification of Prohibition on Contributions. By executing this Amendment, Landlord acknowledges its obligations under section 1.126 of the City's Campaign and Governmental Conduct Code, which prohibits any person who leases, or seeks to lease, to or from any department of the City any land or building from making any campaign contribution to

(a) a City elected official if the lease must be approved by that official, (b) a candidate for that City elective office, or (c) a committee controlled by that elected official or a candidate for that office, at any time from the submission of a proposal for the lease until the later of either the termination of negotiations for the lease or twelve (12) months after the date the City approves the lease. Landlord acknowledges that the foregoing restriction applies only if the lease or a combination or series of leases or other contracts approved by the same individual or board in a fiscal year have a total anticipated or actual value of one Hundred Thousand Dollars (\$100,000) or more. Landlord further acknowledges that (i) the prohibition on contributions applies to each prospective party to the Lease; any person with an ownership interest of more than 10 percent (10%) in Landlord; any subcontractor listed in the Lease; and any committee that is sponsored or controlled by Landlord; and (ii) within thirty (30) days of the submission of a proposal for the Lease, the City department with whom Landlord is leasing is obligated to submit to the Ethics Commission the parties to the Lease and any subcontractor. Additionally, Landlord certifies that it has informed each such person of the limitation on contributions imposed by Section 1.126 by the time it submitted a proposal for the Lease, and has provided the names of the persons required to be informed to the City department with whom it is leasing.

7. Landlord's Compliance with City Business and Tax and Regulations Code.

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

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

9. Effective Date. The "Effective Date" means the later of the following dates: (a) the date the City's Board of Supervisors and the Mayor, in their sole and absolute discretion, have adopted the Resolution approving this Amendment in accordance with all applicable legal requirements and (b) the date of this Amendment is duly executed and delivered by the parties.

10. Miscellaneous. Except as expressly modified herein, the terms, covenants and conditions of the Lease shall remain unmodified and in full force and effect. The Lease as amended by this Amendment constitutes the entire agreement of the parties concerning the subject matter hereof, and supersedes and conceals any and all previous negotiations, agreements, or understandings, if any, regarding the matters contained herein. The execution of this Amendment shall not constitute a waiver of relinquishment of any rights which the City may have relating to the Lease. Landlord and City hereby ratify and confirm all of the provisions of the Lease as amended by this Amendment.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

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

LANDLORD LAWRENCE B. STONE PROPERTIES #08,
a Washington limited liability company

Signed by: 8/26/2025
By: Lawrence B Stone
Name: Lawrence B Stone
Its: Managing Member

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

DocuSigned by: 8/28/2025
By: Sarah R. Oerth
Sarah R. Oerth
Director of Property

RECOMMENDED:

DocuSigned by: 8/26/2025
Shireen McSpadden@sf.gov.org
Shireen McSpadden
Executive Director, Department of
Homelessness and Supportive Housing

APPROVED AS TO FORM:

DAVID CHIU, City Attorney

DocuSigned by: 8/26/2025
By: Vincent Brown
Vincent Brown
Deputy City Attorney

EXHIBIT A

(Exhibit G to Lease)

MAY 2025 WORK LETTER

2177 Jerrold Ave.

This work letter ("**May 2025 Work Letter**") is part of that certain Lease entered into by and between City and County of San Francisco, a municipal corporation ("**City**"), on behalf of the Department of Homelessness, as tenant, and Lawrence B. Stone Properties #08, LLC, a Washington limited liability company, as landlord ("**Landlord**"), dated as of November 1, 2023 (the "**Initial Lease**"), covering the Property, as defined in the Initial Lease, as amended by that certain First Amendment to Lease, entered into by and between City and Landlord, and dated as of the Effective Date (the "**Lease Amendment**", together with the Initial Lease, the "**Lease**"). All terms that are capitalized but not defined in this May 2025 Work Letter have the same meanings given to them in the Lease.

This May 2025 Work Letter governs Landlord's electrical upgrades on the Property, to better serve the City's clients using the Property.

Pursuant to Lease Sections 4.15 and 6.1 (except as otherwise specifically set forth below), Landlord, through its general contractor, Commercial Construction & Improvements, Inc., a California corporation, dba. CCI General Contractor (the "**Contractor**"), will work with Pacific Gas & Electric Company, a California corporation ("**PG&E**") to have new 4,000 amp, 120/208v electrical service installed at the Property (the "**Leasehold Improvement Work**"). City is not involved in the Leasehold Improvement Work, which will happen outside the area of the Property being used by the City and its clients. The Leasehold Improvement Work it will not impact the City's operations on the site. This Work Letter addresses only the process for Landlord to submit requests for reimbursement of actual expenses incurred by Landlord to the City. Landlord has accepted responsibility for paying the total, actual costs of having the electrical service upgraded, and being reimbursed by the City, for those expenses actually incurred by Landlord and only up to the amount authorized by the Lease Amendment. Completion of the Leasehold Improvement Works will be evidenced by the availability of the new 4,000 amp, 120/208v electrical service at the Property.

1. Plans and Specifications

- a. Reserved.
- b. Reserved.
- c. Reserved.
- d. Reserved.
- e. Reserved.
- f. Reserved.

i. Appointment of Representatives. City and Landlord will each designate and maintain at all times during the design and construction period a project representative ("**Representative**"), and an alternate for the Representative ("**Alternate**"), each of whom will be authorized to confer and attend meetings and represent such party on any matter relating to this May 2025 Work Letter. Landlord and City may not make any inquiries of or requests to, and will

not give any instructions or authorizations to, any other employee or agent of the other party unless otherwise authorized by the other party, including the other party's architect, engineers, consultants, and contractors or any of their agents or employees, regarding matters associated with this May 2025 Work Letter. The initial Representatives and Alternates are:

Landlord: Representative — Nick Czapla (509) 209-3531
 Alternate — Kim Crumpacker (509) 343-9076

City: Representative — Joanne Park 628.652.7703
 Alternative – Federico Pelayo (628) 233-3824

Each party may at any time and from time to time change its Representative or Alternate by written notice to the other party. Each party's Representative or Alternate must be available during ordinary business hours so that questions and problems may be quickly resolved and so that the Leasehold Improvements may be completed economically and in accordance with the Construction Schedule. All approvals made by City's Representative or Alternate must be made in writing.

2. Permits

a. Responsibility for Obtaining Permits. Landlord is responsible for obtaining all governmental permits and approvals required to commence and complete the Leasehold Improvement Work, and promptly on receipt of any permit or approval, Landlord will deliver copies to City. To the extent of its proprietary capacity as a Tenant, and not in its regulatory capacity as any Agency or Department, City will assist with the permit and approval process and provide any documentation and authorizations reasonably requested by Landlord. Landlord will use commercially reasonable efforts to obtain all needed approvals and permits on or before 2 months (60 days) following execution of the Lease Amendment authorizing this May 2025 Work Letter. Landlord is responsible for calling for all inspections required by City's Department of Building Inspection.

3. Construction

a. Construction of Leasehold Improvements. Landlord will cause the Leasehold Improvements to be constructed and installed in a good and professional manner in accordance with sound building practice and the terms of this May 2025 Work Letter. City will not have any obligation for any work except as provided in this May 2025 Work Letter.

b. Construction Schedule. Landlord has begun preparatory work for the Leasehold Improvements, and will diligently pursue construction to completion.

c. Status Reports; Inspections. Landlord will keep City apprised of the status of permit approval and the progress of construction. Landlord or its Contractor will furnish City with monthly reports on construction. From time to time during the design and construction of the Leasehold Improvements, after reasonable advance oral or written notice to Landlord, City may enter the areas of construction at reasonable times to inspect the areas of construction, and City will use commercially reasonable efforts not to interfere with the construction. Landlord or its Representative may accompany City during any inspection.

d. General Conditions. Landlord shall be responsible for the performance of all Leasehold Improvement Work by Landlord in accordance with the following terms and conditions:

i. All of the Leasehold Improvement Work must be performed in compliance with all Laws bearing on construction of the Leasehold Improvements;

ii. Without limiting the foregoing, the construction of the Leasehold Improvements must comply with all requirements of the Americans With Disabilities Act of 1990 and Title 24 of the California Code of Regulations and all other applicable Laws intended to provide equal accessibility for persons with disabilities (collectively, “**Disabled Access Laws**”);

iii. Landlord and its Contractor are responsible for all required insurance to the extent specified in the Lease.

e. Cooperation. Landlord will cooperate at all times with City in completing the Leasehold Improvements in a timely fashion. Landlord will resolve any and all disputes arising out of the Leasehold Improvements Work in a manner that will allow work to proceed expeditiously.

f. Asbestos Related Work. If City, its consultants, contractors or subcontractors encounter any asbestos containing materials (“**ACM**”) in connection with the Leasehold Improvement Work, Landlord will be responsible for all legally required work or other work necessary relating to the proper containment, abatement, removal, and disposal of the ACM and all costs related to the ACM. Such costs of asbestos remediation work will be performed at Landlord’s sole cost and expense. Any delay due to the presence of unknown ACM in the Building will be considered a Landlord Delay (defined below).

g. Construction Improvements that Disturb or Remove Exterior Paint. Landlord, on behalf of itself and its agents, employees, officers, and contractors, will comply with all requirements of the San Francisco Building Code Chapter 34 and all other applicable Laws, including the California and United States Occupational and Health Safety Acts and their implementing regulations, when the work of improvement or alteration disturbs or removes exterior or interior lead-based or “presumed” lead-based paint (as defined below). Landlord, its agents, employees, officers, and contractors will give to City three (3) business days’ prior written notice of any disturbance or removal of exterior or interior lead-based or presumed lead-based paint or potentially lead-based paint. Landlord acknowledges that the required notification to the Department of Building Inspection regarding the disturbance or removal of exterior lead-based paint under San Francisco Building Code Chapter 34 does not constitute notification to City as Tenant under the Lease and similarly that notice under the Lease does not constitute notice under San Francisco Building Code Chapter 34. Further, Landlord and its agents, employees, officers, and contractors, when disturbing or removing exterior or interior lead-based or presumed lead-based paint, will not use or cause to be used any of the following methods: (i) acetylene or propane burning and torching; (ii) scraping, sanding or grinding without containment barriers or a High Efficiency Particulate Air filter (“**HEPA**”) local vacuum exhaust tool; (iii) hydroblasting or high-pressure wash without containment barriers; (iv) abrasive blasting or sandblasting without containment barriers or a HEPA vacuum exhaust tool; and (v) heat guns operating above 1,100 degrees Fahrenheit. Landlord will comply with the requirements of California Code of Regulations Title 17 when taking measures that are designed to reduce or eliminate lead hazards. Under this Section, lead-based paint is “disturbed or removed” if the work of improvement or alteration involves any action that creates friction, pressure, heat, or a chemical reaction on any lead-based or presumed lead-based paint on a surface so as to abrade, loosen, penetrate, cut through, or eliminate paint from that surface. This Section will apply only to the extent lead-based paint is actually encountered. Landlord shall be solely responsible for all costs associated with compliance with the requirements of this paragraph; such expenses shall not be paid pursuant to Paragraph 4 (Reimbursement Payments for Work) below.

4. Reimbursement Payments for Work

a. Leasehold Improvement Work. Landlord will pay for the cost of constructing and installing the Leasehold Improvements. If the actual costs of the Leasehold Improvement Work incurred by Landlord exceeds the budget totals set forth in **Schedule 1**, Landlord will be solely responsible for the additional expense. City shall reimburse Landlord, upon receipt of an invoice, supported with proof of actual expenses incurred by Landlord from Landlord (“**Reimbursement Invoice**”) beginning 1 month (30 days) following the start of construction, and every month (30 days) thereafter through complete payment of the actual costs incurred, as such costs are estimated in Schedule 1. In no event shall any reimbursement be made in the amount of the Schedule 1 budget total. City shall pay the Reimbursement Invoices within thirty (30) days of receipt of required documentation in accordance with Subparagraph b. below. City will not be responsible for any review, supervision, administration, or management fees of any person or entity, any overhead or other general expenses of Landlord or any other person or entity, and any charges for parking or use of hoists or freight elevators, or for remediation of lead-based paint, asbestos, mold or any other contaminants or toxic materials.

b. Required Documentation of Costs. Landlord will provide City with copies of (i) all invoices received by Landlord from the Contractor in connection with the construction of the Leasehold Improvements, (ii) satisfactory evidence of payment of the invoices, including unconditional lien waivers, or if the invoices have not been paid, conditional lien waivers; all lien waivers must meet the requirements of California Civil Code Section 8124 and be in the form prescribed by California Civil Code Sections 8132, 8134, 8136, and 8138, as applicable, and be executed by each subcontractor and material supplier, and (iii) any additional supporting documentation substantiating the Contractor’s right to payment as City may reasonably require, such as copies of requisitions from subcontractors and material suppliers.

5. Substantial Completion

a. Construction Schedule. Landlord will use commercially reasonable efforts to complete the Leasehold Improvement Work on or before the date that is Six Months (180 calendar days) after the date of complete execution of the Lease Amendment, except as extended by Tenant Delays and Unavoidable Delays (as defined in Paragraph 6 below). When construction progress permits, but not less than fifteen (15) days before substantial completion, Landlord will notify City of the date that the Leasehold Improvement Work is anticipated to be Substantially Completed (as defined below) in accordance with the approved Construction Documents and the provisions of the Lease and this May 2025 Work Letter. Landlord will notify City when the Leasehold Improvement Work is in fact Substantially Completed. Promptly after City receives Landlord’s notice of substantial completion, City or its representatives will accompany Landlord or its Contractor on an inspection on a mutually agreeable date.

b. Substantial Completion. The Leasehold Improvements will be deemed to be “**Substantially Completed**” when (i) all necessary required inspections have been completed and signed off as approved by the appropriate governmental authority(ies), and (ii) PG&E evidences the new electrical service in their monthly billing for the Property.

6. Delays in Construction

a. Unavoidable Delays. “**Unavoidable Delays**” means any delays by reason of acts of nature, strikes, lockouts, other labor disputes, inability to obtain labor or materials after using diligent and timely efforts, enemy action, civil commotion, epidemics, pandemics, and related governmental orders and requirements (and private sector responses to comply with those

orders and requirements); protests; riots; demonstrations; or by any other reason without fault and beyond the reasonable control of the party obligated to perform. If an Unavoidable Delay occurs, the party affected by the Unavoidable Delay will give prompt written notice to the other of the event causing the Unavoidable Delay and the length of the projected delay in performance, and will continue to keep the other party regularly informed of the status of the Unavoidable Delay.

b. Tenant Delays. Subject to any Unavoidable Delay, City will be responsible for any delay in the construction of the Leasehold Improvements resulting proximately from City's failure to review any costs to be included under the reimbursement provisions of Paragraph 4 (above) within the time provided in this May 2025 Work Letter ("**Tenant Delays**"). Tenant Delays in the completion of construction of the Leasehold Improvement Work will extend the date for Substantial Completion for each day of the Tenant Delay.

c. Landlord Delays; Liquidated Damages. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THE LEASE, IF LANDLORD'S DELIVERY OF POSSESSION OF THE PROPERTY TO CITY IS DELAYED BECAUSE OF LANDLORD'S FAILURE TO COMPLETE CONSTRUCTION OF THE LEASEHOLD IMPROVEMENTS ON OR BEFORE THE DATE THAT IS SIX MONTHS (180 CALENDAR DAYS) AFTER COMPLETE EXECUTION OF THE LEASE AMENDMENT (AS EXTENDED BY UNAVOIDABLE DELAYS AFFECTING LANDLORD OR ITS CONTRACTOR IN ACCORDANCE WITH SUBSECTION A ABOVE AND TENANT DELAYS), THEN LANDLORD WILL PAY TO CITY ONE THOUSAND DOLLARS (\$1,000) FOR EACH DAY OF DELAY, AS LIQUIDATED DAMAGES AND AS CITY'S SOLE AND EXCLUSIVE REMEDY EXCEPT FOR CITY'S TERMINATION RIGHTS. THE PARTIES HAVE AGREED THAT CITY'S ACTUAL DAMAGES IN THE EVENT OF DELAY WOULD BE EXTREMELY DIFFICULT OR IMPRACTICABLE TO DETERMINE. THEREFORE, BY PLACING THEIR INITIALS BELOW, THE PARTIES ACKNOWLEDGE THAT THEY HAVE AGREED ON THE SUM SPECIFIED ABOVE, AFTER NEGOTIATION, AS THEIR REASONABLE ESTIMATE OF CITY'S DAMAGES CAUSED BY THE DELAY. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS MAY 2025 WORK LETTER OR THE LEASE, THE AGGREGATE LIQUIDATED DAMAGES PAID BY LANDLORD WILL NOT EXCEED THREE PERCENT (3%) OF THE APPROVED COSTS OF THE LEASEHOLD IMPROVEMENTS.

Initials: Landlord LBS City JS

7. General Provisions.

a. Notices. Except as may be otherwise specifically provided in this May 2025 Work Letter, any notice given under this May 2025 Work Letter must be in writing and given by delivering the notice in person, by commercial courier or by sending it by first class mail, certified mail with a return receipt requested, or Express Mail, return receipt requested, with postage prepaid, and addressed to the parties as follows:

City:	Real Estate Division 25 Van Ness Avenue, Suite 400 San Francisco, CA 94102 Attn: Director of Property
Landlord:	Lawrence B. Stone Properties #08, LLC PO Box 3949 Spokane, WA 99220 Attn: Jasper Coulter

or any other address as a party may designate to the others as its new address for notices by notice given to the others in accordance with the provisions of this paragraph. A properly addressed notice transmitted by one of the foregoing methods will be deemed received upon

confirmed delivery or attempted delivery. Neither party may give official or binding notice by email, provided that email notice may be used concurrently with another method of giving official notice. In the event urgent response is required, either party may give email notice so long as official notice is promptly given thereafter.

b. Landlord's Duty to Notify City. Landlord will promptly notify City in writing of **(i)** any written communication that Landlord may receive from any governmental, judicial, or legal authority giving notice of any claim or assertion that the Property or Leasehold Improvements fail in any respect to comply with applicable Laws; **(ii)** any known material adverse change in the physical condition of the Property, including any damage suffered as a result of earthquakes; and **(iii)** any known default by the Contractor or any subcontractor or material supplier, or any known material adverse change in the financial condition or business operations of any of them.

c. Prevailing Wages and Apprentices. Any person performing labor in the construction of the Leasehold Improvements that Landlord is obligated to provide under this May 2025 Work Letter will be paid not less than the highest Prevailing Rate of Wages (as defined in San Francisco Labor and Employment Code 101.1), and Landlord will include in any contract for construction of the Leasehold Improvements a requirement that all persons performing labor under the contract will be paid not less than the highest Prevailing Rate of Wages for the labor performed. In connection with the construction of the Leasehold Improvements under this May 2025 Work Letter, Landlord will comply with all the provisions of subsection (b) of San Francisco Charter Section A7.204 and Section 6.22(E) of the San Francisco Administrative Code. In addition, if the Leasehold Improvements constitute a Covered Project (as defined in San Francisco Labor and Employment Code Section 101.1), Landlord will require its Contractors and Subcontractors performing work on any Covered Project at the Building to pay Prevailing Wages in accordance with the requirements of San Francisco Labor and Employment Code Article 103 and employ Apprentices in accordance with San Francisco Labor and Employment Code Article 104, and comply with all the provisions of Section 23.3 of the Lease, and San Francisco Labor and Employment Code Section Article 103 regarding the Leasehold Improvements.

d. Tropical Hardwood and Virgin Redwood Ban. Except as expressly permitted by the application of San Francisco Environment Code Sections 802(b) and 803(b), neither Landlord nor any of its contractors may provide any items to City in the construction of the Leasehold Improvements or otherwise in the performance of this Lease which are tropical hardwood, tropical hardwood wood products, virgin redwood, or virgin redwood wood products. City urges companies not to import, purchase, obtain or use for any purpose, any tropical hardwood, tropical hardwood product, virgin redwood, or virgin redwood wood products. If Landlord fails to comply in good faith with any of the provisions of Chapter 8 of the San Francisco Environment Code, Landlord will be liable for liquidated damages for each violation in any amount equal to Landlord's net profit on the contract, or five percent (5%) of the total amount of the contract dollars, whichever is lower. Landlord acknowledges and agrees that the liquidated damages assessed will be payable to City on demand.

e. Days; Incorporation of Exhibits. Unless otherwise provided in this May 2025 Work Letter, all periods specified by a number of days will refer to business days. Saturdays, Sundays, and recognized City holidays will not constitute business days. Schedule 1 attached to this May 2025 Work Letter, is made a part of this May 2025 Work Letter by this reference.

f. Approvals. City is entering into this May 2025 Work Letter in its proprietary capacity and not as a regulatory agency with certain police powers. Notwithstanding anything to the contrary in this May 2025 Work Letter or the Lease, no approval by City of the plans for the Leasehold Improvements (including the Construction Documents and Change Orders), completion of the Leasehold Improvement Work or any other approvals by City under this May 2025 Work Letter or the Lease will be deemed to constitute approval of any governmental or regulatory authority with jurisdiction over the Property. All approvals or other determinations of City as Tenant under this May 2025 Work Letter or the Lease may be made by City's Director of Property unless otherwise specified.

8. Time of the Essence. Time is of the essence with respect to all provisions of this May 2025 Work Letter where definite time for performance is specified, including the date for Substantial Completion.

[Signatures appear on following page]

The parties have executed this Work Letter as of the date of the Lease Amendment.

LANDLORD:

Lawrence B. Stone Properties #08, LLC,
a Washington limited liability company

Signed by:
By: Lawrence B Stone 8/26/2025
Name: 85134340C2BC497
Its: Authorized Signatory

CITY:

CITY AND COUNTY OF SAN FRANCISCO,
a municipal corporation

DocuSigned by:
By: Sally Oerth 8/28/2025
Name: 336F9B4FE72748A
SALLY OERTH
Director of Property

RECOMMENDED:

DocuSigned by:
Shireen McSpadden@sfgov.org 8/26/2025
CAD7B7C1030B449...
Shireen McSpadden
Executive Director, Department of
Homelessness and Supportive Housing

APPROVED AS TO FORM:

DAVID CHIU, City Attorney

DocuSigned by:
By: Vincent Brown 8/26/2025
Name: 5D88F562E4274BB...
Vincent Brown
Deputy City Attorney

EXHIBIT A
to Work Letter

RESERVED

(SCHEDULE 1)

DIAGRAM AND DETAILED BUDGET

FOR:

PG&E UTILITIES UPGRADE: \$1,246,746 (2 PAGES)

[to be attached]

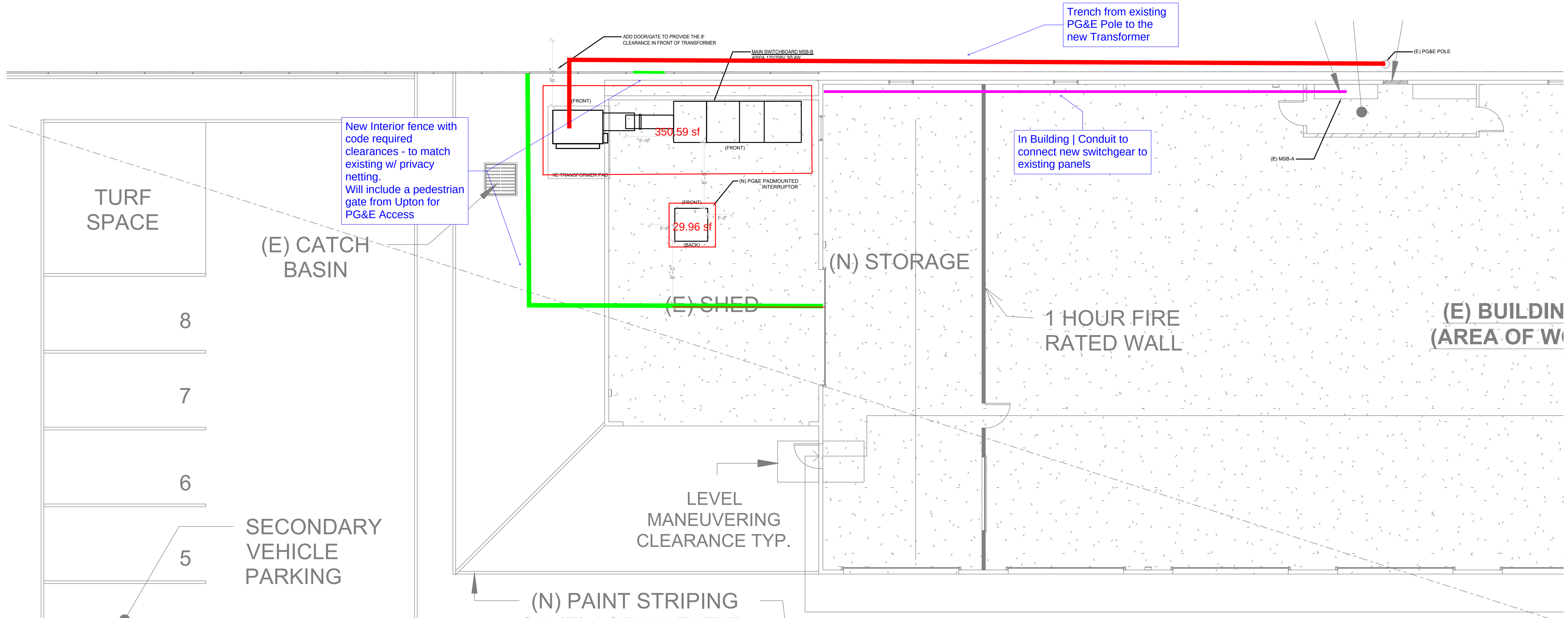
Schedule 1



2177 Jerrold
PG&E Service Upgrade

Line Item	Description	Budget
Pre-Construction	Lump sum fee for PG&E pre-construction phase prior to site mobilization	\$15,000
General Conditions	\$3,750 per week - half time GCs (8) week duration - reference Project schedule	\$30,000
Progress Labor	\$2,600 per week - Full time PL (8) week duration - reference Project schedule	\$20,800
Temporary Facilities	Rental of temp facilities for duration of project	\$2,400
Hazmat Abatement & Testing	NIC - Owner Responsible Item	NIC
Structural Demolition	Demolition of the existing shed for the new transformer switchgear location	\$20,000
PG&E Trench - Upton	Allowance for 150 LF of trenching from existing PG&E Pole to the new transformer switchgear location in the yard.	\$75,000
Exterior Concrete - Transformer Pads	Allowance for: 350 sqft of new concrete pad at the transformer switchgear 30 sqft at the interrupter pad	\$57,000
Fencing - Interior Yard & Upton Access	Allowance for 75 LF of fencing (to match existing at yard) at the PG&E Transformer Switch gear location. Includes a pedestrian gate for PG&E access from Upton Street and code required clearances. Fence will provide restricted access from the cabins and will include privacy screening netting	\$52,500
Electrical - New Service	Crane Rental Single Line Engineering Design Build Drawings Title 24 Supply & install: New 4,000AMP 120/208V Nema 3R New 4,000AMP bus duct New 1600AMP Feed to re-feed existing service	\$543,428
Electrical - Permit Fees	Allowance for Electrical permit fees	\$12,500
Electrical - Owner Fees	Not in CCI Contract - LB Stone Responsible item & carried in overall expansion budget. \$200,000 allowance pending PG&E fee structure	-
Street Use Excavation Permit	Allowance for street use general excavation permit for the work being performed on Upton Street	\$15,000
Total		\$843,628
Construction Contingency	10% of overall Budget	\$84,363
Pro Rata Insurance	\$17 \$1000	\$15,776
SF Payroll Tax	\$6 \$1,000	\$5,663
Overhead & Profit	5% of overall budget	\$47,471
LB Stone Management Fee	5% of Project Total	\$49,845
PG&E Standalone Total		\$1,046,746
PG&E Owner Fees	LB Stone - Allowance pending PG&E fee structure	\$200,000

Total PG&E w/ Projected Owner Fees \$1,246,746



1 ELECTRICAL SITE PLAN
SCALE: 1/8" = 1'-0"

UG-1: Transformers
Greenbook

Concrete Pad for Three-Phase, Loop-Style,
Pad-Mounted Transformers

Concrete Pad Details for Style IID, IIE, and IIG Transformers

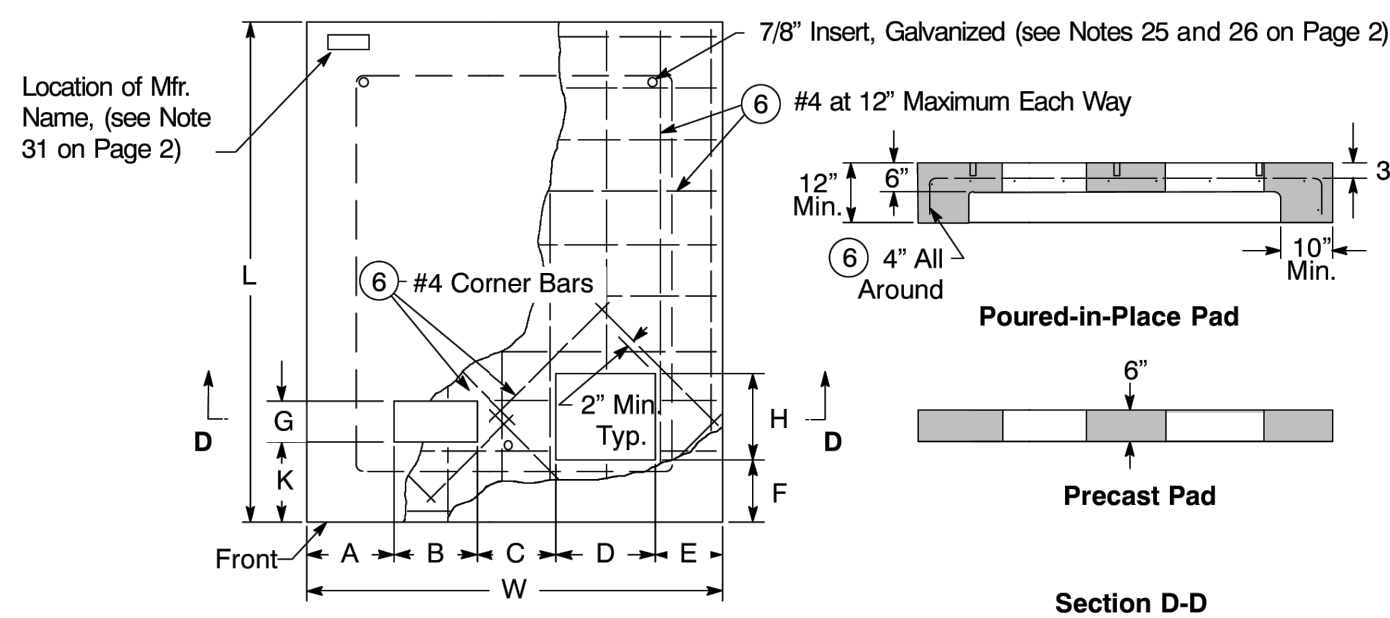


Figure 5
Construction Details of Style IID, IIE, IIG Pad
(see Figure 2 on Page 6 for pad arrangement)

Table 3 Dimensions and Codes for Style IID, IIE, and IIG Transformer Pads ¹

Transformer			Pad Dimensions (inches)											Code
Style	kVA Size	Approximate Maximum Weight (lbs)	A	B	C	D	E	F	G	H	K	L	W	
IID and IIE	75	4,600	17	16	15	19	13	10	6	17	14	61	80	040291
	(112.5) ²	4,800												
	150	5,000												
	(225) ²	5,500												
IIE	300	5,800	22	16	15	20	17	20	6	19	25	106	90	040292
	(500) ²	6,100												
	750	9,000												
	1,000	11,000												
	1,500	13,000												
IIE	2,500	16,000	22	16	15	20	17	20	6	19	25	106	90	040292
IIG	2955/3325	22,000												

¹ See [Document 068211](#) for approved suppliers.
² () = Indicates a kVA size that is no longer purchased.

Revision Notes

- Revision 13 has the following changes:
1. Add Note 10 on Page 1.

UG-1: General
Greenbook

Clearances and Location Requirements for
Enclosures, Pads, and Underground Equipment

13. Preferred Barrier Post Arrangement for Transformers (continued)

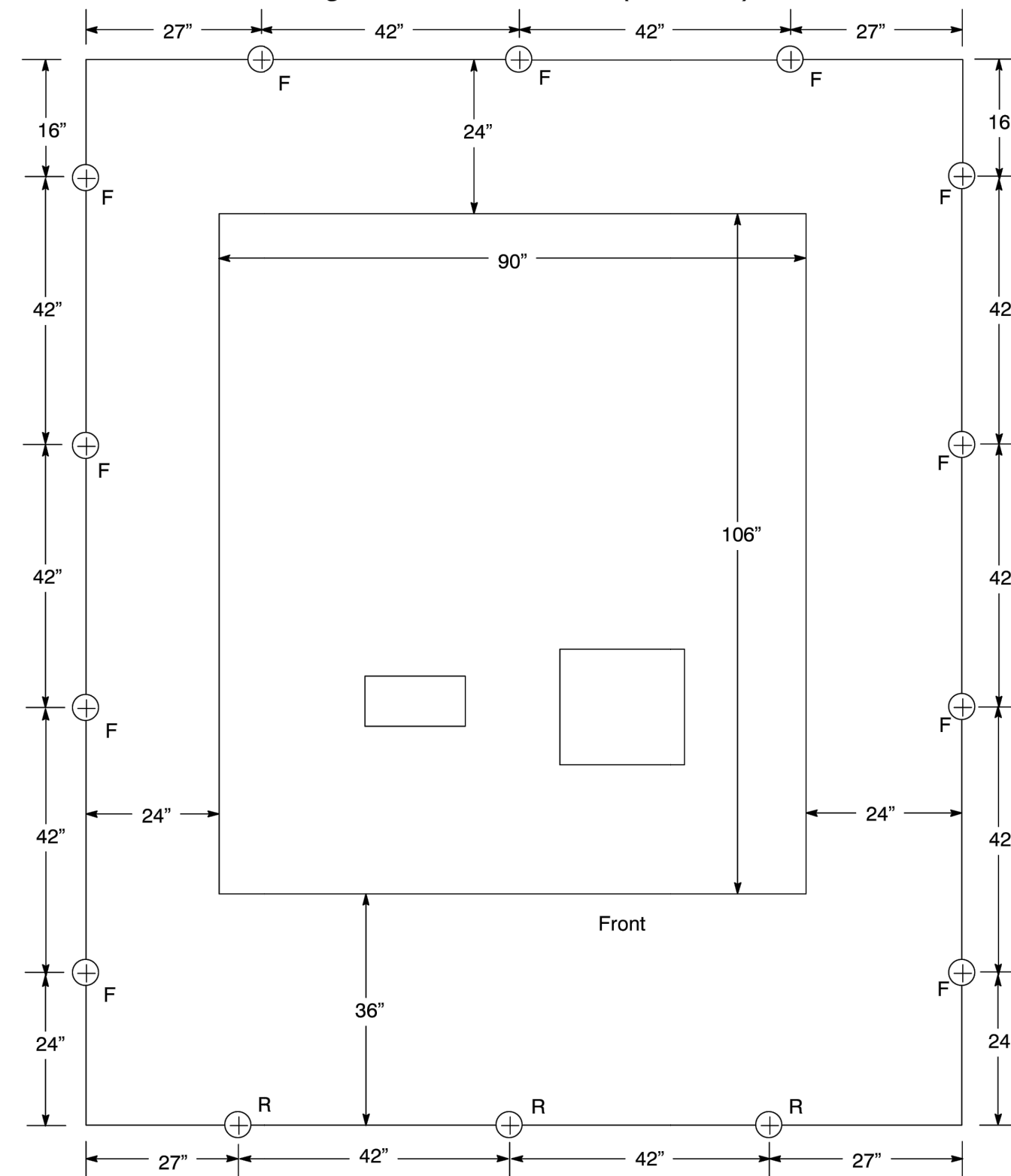
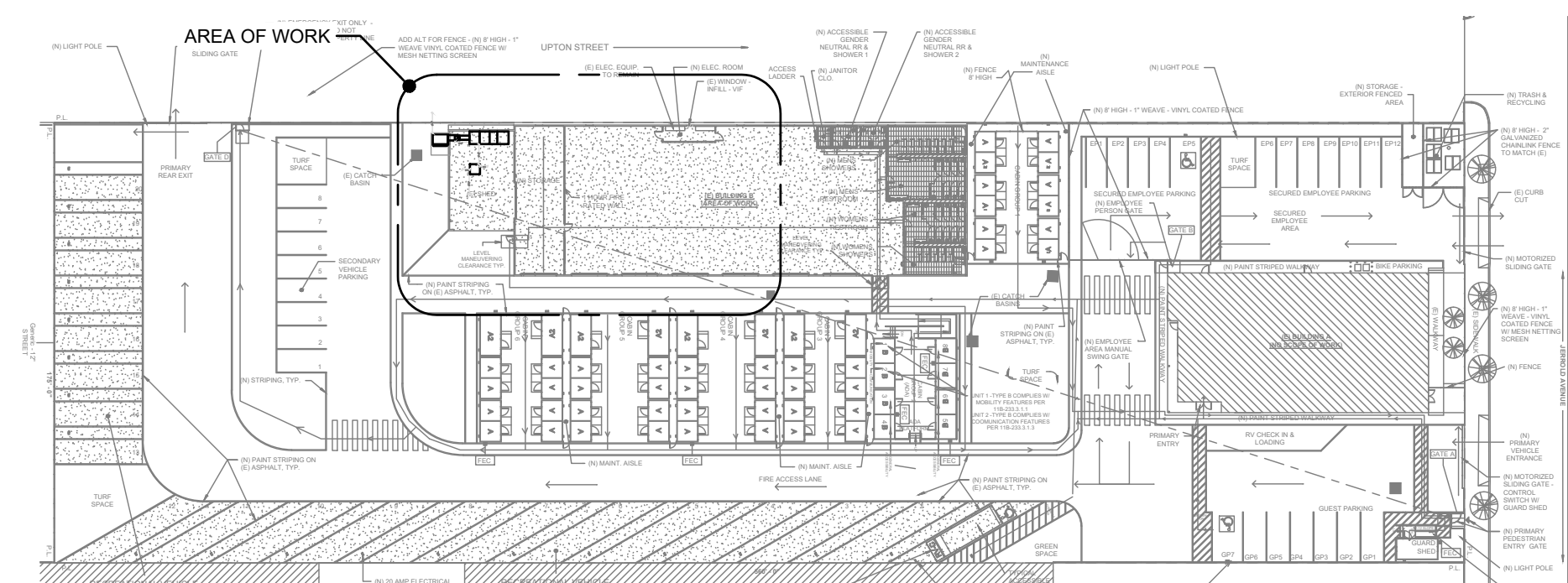


Figure 14
Style IIE-LB Pad
90" x 106"
(Document 045292)

F = Fixed
R = Removable



2 KEY PLAN
SCALE: 1/64" = 1'-0"

GENERAL SHEET NOTES

1. ALL EXTERIOR EQUIPMENT SHOWN TO BE OF WEATHERPROOF TYPE CONSTRUCTION

ISSUE Date	Description
10.14.2024	PERMIT SET

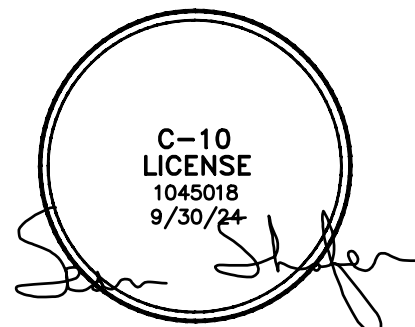
ELSON ELECTRIC INC.

3440 VINCENT RD, STE C, PLEASANT HILL

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2177 JERROLD

2177 JERROLD AVENUE, SAN FRANCISCO, CA 94124



ELECTRICAL
PLAN

E-1.0