

## FIRST AMENDMENT TO LEASE

THIS FIRST AMENDMENT TO LEASE (this “**First Amendment**”) is made as of September \_\_, 2019, by and between **LEXINGTON LION SAN FRANCISCO L.P.**, a Delaware limited partnership (“**Landlord**”), and the **CITY AND COUNTY OF SAN FRANCISCO**, a municipal corporation (“**City**” or “**Tenant**”).

### RECITALS

**A.** Landlord and Tenant are now parties to that certain Lease dated as of September 28, 2017 (the “**Lease**”), as supplemented by that certain Notification of Rentable Square Footage of Phase I dated November 30, 2017, executed by CBRE, Inc. as managing agent for Landlord, that certain Notice to Install Rooftop Equipment dated May 23, 2019, and those certain letter agreements between Landlord and Tenant dated April 24, 2018, June 18, 2018, October 10, 2018, and January 15, 2019. Pursuant to the Lease, Tenant leases certain Premises in that certain building located at 350 Rhode Island Street-North, San Francisco, California. The Premises are more particularly described in the Lease. Capitalized terms used herein without definition shall have the meanings defined for such terms in the Lease.

**B.** Landlord and Tenant desire, subject to the terms and conditions set forth below, to amend the Lease to, among others things, (i) provide Tenant with a credit against rent coming due under the Lease in the amount of \$2,600,000 and (ii) amend the definition of Real Estate Taxes to delete any exclusion from increases in Real Estate Taxes attributable to any transfer of any of Landlord’s interest in the Building or the real property on which the Building is located.

**NOW, THEREFORE**, in consideration of the foregoing Recitals, which are incorporated herein by this reference, the mutual promises and conditions contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant hereby agree as follows:

1. **Rent Credit.** Commencing on the first day of the next calendar month after the effective date of First Amendment, and continuing through May 1, 2023, Tenant shall be entitled to a credit against the Rent due under the Lease in accordance with the schedule below. In no event shall the total credit against Rent provided for in this Section 1 exceed \$2,600,000.

#### Schedule of Rent Credits:

<u>Date of Credit</u>	<u>Amount of Credit</u>
1 <sup>st</sup> day of month following effective date	\$357,357
May 1, 2020	\$357,357
November 1, 2020	\$313,308
May 1, 2021	\$313,308
November 1, 2021	\$319,572
May 1, 2022	\$319,572
November 1, 2022	\$309,763
May 1, 2023	\$309,763

2. **Definitions.** The definition of Real Estate Taxes set forth in Section 4.5 of the Lease is deleted in its entirety and replaced with the following:

“**Real Estate Taxes**” means all taxes, assessments and charges levied upon or with respect to the Property or Landlord’s interest in the Property. Real Estate Taxes shall include, without limitation, all general real property taxes and general and special assessments, charges, fees, or assessments for transit, housing, police, fire, or other governmental services, any tax on or measured by the rent, or imposed against the right to rent or against the business of leasing any portion of the Property (measured as if the receipts from the Property were the only receipts of Landlord), including but not limited to the Homelessness Gross Receipts Tax set forth in San Francisco Business and Revenue Code Article 28, Sections 2801 through 2814 (the “Proposition C Tax”), service payments in lieu of taxes that are now or hereafter levied or assessed against Landlord by the United States of America, the State of California or any political subdivision thereof, public corporation, district, or any other political or public entity, and shall also include any other tax, fee or other excise, however described, that may be levied or assessed as a substitute for, or as an addition to, in whole or in part, any other Real Estate Taxes. Notwithstanding the foregoing, Real Estate Taxes shall exclude (1) franchise, transfer, inheritance, capital stock taxes or income taxes measured by the net income of Landlord from all sources unless, due to a change in the method of taxation, any of such taxes is levied or assessed against Landlord as a substitute for, or as an addition to, in whole or in part, any other tax that would otherwise constitute a Real Estate Tax, (2) any penalties, fines, interest or charges attributable to the late payment of any taxes, except to the extent attributable to City’s failure to pay its portion of Real Estate Taxes hereunder and (3) any personal property taxes payable by City hereunder or by any other tenant or occupant of the Building. Notwithstanding the foregoing, (1) Landlord agrees to use commercially reasonable efforts to obtain an exemption from the Proposition C Tax with respect to the rent paid by Tenant, based on an exemption to the Proposition C Tax for payments made by government agencies (and Tenant shall cooperate with obtaining such exemption), and (2) upon receipt of such exemption, any amount that is actually so exempt shall not be included in “Real Estate Taxes” under this Lease, and any Proposition C Tax payments that Landlord must make with respect to rents received from other tenants in the Building shall be allocated among such other tenants. In addition, for the avoidance of any doubt, nothing contained in this Lease is intended to excuse City from paying its pro rata share of Real Estate Taxes (including, without limitation, as a result of reassessments) resulting from any transfer of any of Landlord’s interest in the Building or the real property on which the Building is located, or any construction and/or improvements made to the Building or the real property upon which it is located.”

3. **No Prop 13 Protection.** The last paragraph of Section 4.7 of the Lease is deleted in its entirety and, as such, City shall not be entitled to the benefit of any Prop 13 Protection Amount or any Prop 13 Purchase Price.

4. **Miscellaneous.**

(a) This First Amendment is the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior and contemporaneous oral and written

agreements and discussions. This First Amendment may be amended only by an agreement in writing, signed by the parties hereto.

(b) This First Amendment will become effective on the later of: (a) the effective date of a resolution adopted by the City's Board of Supervisors approving this First Amendment, and (b) the date that this First Amendment is duly executed by Landlord and City. This First Amendment is binding upon and shall inure to the benefit of the parties hereto, and their respective successors and assigns.

(c) This First Amendment may be executed in any number of counterparts, each of which shall be deemed an original, but all of which when taken together shall constitute one and the same instrument. The signature page of any counterpart may be detached therefrom without impairing the legal effect of the signature(s) thereon provided such signature page is attached to any other counterpart identical thereto except having additional signature pages executed by other parties to this First Amendment attached thereto.

(d) Except as amended and/or modified by this First Amendment, the Lease is hereby ratified and confirmed and all other terms of the Lease shall remain in full force and effect, unaltered and unchanged by this First Amendment. In the event of any conflict between the provisions of this First Amendment and the provisions of the Lease, the provisions of this First Amendment shall prevail. Whether or not specifically amended by this First Amendment, all of the terms and provisions of the Lease are hereby amended to the extent necessary to give effect to the purpose and intent of this First Amendment.

**[Signatures are on the next page.]**

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

**LANDLORD:**

**LEXINGTON LION SAN FRANCISCO L.P.,**

a Delaware limited partnership

By: Lexington Lion San Francisco GP LLC,  
a Delaware limited liability company, its general partner

By: CLPF-LXP/LV, L.P.,  
a Delaware limited partnership, its sole member

By: CLPF-LXP/LV GP, LLC,  
a Delaware limited liability company, its general partner

By: Clarion Lion Properties Fund Holdings, L.P., its sole member

By: CLPF-Holdings, LLC, its general partner

By: Clarion Lion Properties Fund Holdings REIT, LLC,  
its sole member

By: Clarion Lion Properties Fund, LP,  
its managing member

By: Clarion Partners LPF GP, LLC,  
its general partner

By: Clarion Partners, LLC,  
its sole member

By:   
Name: Christine Kang  
Title: Authorized Signatory

**LANDLORD:**

Acknowledged and agreed  
this 19<sup>th</sup> day of September, 2019:

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

Approved as to Form:

By: \_\_\_\_\_  
Name: Andrico Q. Penick  
Title: Director of Property

\_\_\_\_\_  
Charles Sullivan  
Deputy City Attorney