

OFFICE LEASE

between

MACLEAN PROPERTIES LLC AND 101 NEW MONTGOMERY STREET LP,
as Landlord

and

CITY AND COUNTY OF SAN FRANCISCO,
as Tenant

~~101~~ For the lease of
A portion of ~~101~~ New Montgomery Street,
also known as 617 Mission Street,
San Francisco, California

October 30, 2024

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OFFICE LEASE

THIS OFFICE LEASE (this "**Lease**"), dated for reference purposes only as of October 30, 2024, is by and between 101 NEW MONTGOMERY STREET, LP, a Delaware limited partnership, and MACLEAN PROPERTIES LLC, a Delaware limited liability company, (together, "**Landlord**"), and the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation ("**City**" or "**Tenant**"), pursuant to San Francisco Board of Supervisors Resolution No. ___, adopted by the Board Supervisors on ___ 2024.

RECITALS

A. City and Landlord entered into that certain Office Lease, dated as of December 19, 1994, as extended pursuant to letters of extension, dated as of February 11, 2002, and April 30, 2007, respectively, and amended pursuant to that certain First Amendment to Lease, dated as of October 27, 2010, as further extended by letter of extension, dated March 4, 2014, and further amended by that certain Second Amendment to Lease, dated as of June 25, 2018 (collectively, the "**Original Lease**") for City's lease of the Premises at the Building (as such terms are defined herein).

B. The Original Lease will expire by its terms on December 31, 2024, and City desires to continue leasing the Premises from the Landlord and Landlord desires to continue to lease to the City.

C. In furtherance of the foregoing, the parties now desire to enter into this Lease subject to the terms and conditions contained in this Lease and hereby agree as follows:

1. BASIC LEASE INFORMATION

The following is a summary of basic lease information (the "**Basic Lease Information**"). Each item below is deemed to incorporate all of the terms in this Lease pertaining 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:	October 30, 2024
Landlord:	101 New Montgomery Street LP and MacLean Properties LLC
Tenant:	CITY AND COUNTY OF SAN FRANCISCO
Building (<u>Section 2.1</u>):	101 109 New Montgomery Street also known as 617 Mission Street, San Francisco, California
Premises (<u>Section 2.1</u>):	Those certain portions of the basement, first floor and second floor as shown on Exhibit A ; exclusive right to use entrance, lobby area, and elevator on first floor Minna Entrance (Section 2.2).
Rentable Area of Premises (<u>Section 2.1</u>):	Approximately 15,445 rentable square feet on first (5,296 sq. ft.) and second (10,149 sq. ft.)

Term (Section 3): floors, and certain basement storage space (2,000 sq. ft)

Estimated commencement date: January 1, 2025

Expiration date: December 31, 2032

Extension Option(s) (Section 3.4): One additional term of five (5) years, exercisable by City by notice to Landlord given not less than 365 days in advance, with rent determined by appraisal and at 95% of the then fair market rental value but no less than the then current base rent as provided in Section 4.3

Base Rent (Section 4.1): Annual Base Rent: \$580,020

Office (15,445 sq. ft.): \$556,020 (\$36.00 per sq. ft.)

Basement Storage (2,000 sq. ft.): \$24,000 (\$12.00 per sq. ft.)

Total Monthly payments: \$48,335.

Base Rent Adjustment; Annual three percent (3%) adjustment

Adjustment Dates (Section 4.2): January 1st

Base Year (Section 0): 2025

City's Percentage Share (Section 4.4): 25.66%

Use (Section 5.1): Office

Leasehold Improvements (Section 6): Landlord will pay \$5.00 per square foot towards tenant improvements (up to \$77,225) (likely to be used toward paint and carpet in the lobby area)

Utilities (Section 9.1): Landlord pays all utilities net electricity; City pays electricity on separate meter

Services (Section 9.2): Landlord provides and pays services

Notice Address of Landlord (Section 24.1): Edward J. Conner
27 Maiden Lane, Suite 250
San Francisco, CA 94108
Email: ejc@conneroffice.com

Landlord's Key Contact: Edward J. Conner

Landlord Contact Telephone No.: 415-392-1072

Tenant's Notice Address (Section 24.1): Real Estate Division
25 Van Ness Avenue, Suite 400
San Francisco, California 94102
Attn: Director of Property
Re: CSS – 109 Montgomery also
known as 617 Mission

with a copy to: Director – Dept of Child Support Services
Karen Roye
617 Mission Street
San Francisco, CA 94105
Email: karen.roye@sfgov.org

and to: Office of the City Attorney
City Hall, Room 234
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4682
Attn: Real Estate & Finance Team
Re: **CSS- 617 Mission Street**
Fax No.: (415) 554-4757

Tenant's Key Contact: Karen M. Roye

Tenant Contact Telephone No.: Karen.roye@sfgov.org
415/356-2919

Tenant's Alternate Contact: Serene Chu

Alternate Contact Telephone No.: 415/356-2959

Brokers (Section 24.8): None

2. PREMISES

2.1 Lease Premises

Landlord leases to City and City leases from Landlord, subject to the provisions of this Lease, those premises in the building identified in the Basic Lease Information (the “**Building**”) and shown on the floor plan(s) attached as Exhibit A (the “**Premises**”). The Premises contain the rentable area and are located on the floor(s) of the Building specified in the Basic Lease Information. As used in this Lease, the term “**rentable area**” means that measurement of interior floor area computed in accordance with the “Office Buildings: Standard Methods of Measurements” (ANSI/BOMA Z65.1-2017) Method A, adopted by the Building Owners and Managers Association (the “**BOMA Standard**”). The Building, the land on which the Building

is located, and all other improvements on or appurtenances to the land are referred to collectively as the “**Property**.”

2.2 Common Areas

City has the exclusive right to use the Mission (formerly Minna) Street (rear) entrance to the Building, together with the lobby area and elevators (for the purpose of accessing the second floor only) servicing such entrance (the “**Exclusive Common Areas**”). City also has the non-exclusive right to use, together with any 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; provided, however, that customer access to the Department of Child Support Services shall be exclusively through the direct entrance to the Premises on Mission Street.

2.3 Condition of the Premises on Delivery

City is currently in possession of the Premises. Landlord will deliver the Premises to City water tight, with all Building Systems (as defined in Section 8.1 (Landlord’s Repairs)) in good working order, condition, and repair, and all other systems in and serving the Premises in good working order, condition, and repair, and the Premises, (the Building, and the Common Areas in compliance with all applicable Laws, as provided in Section 10.1 (Landlord’s Compliance with Laws; Premises Condition; Indemnity). Landlord’s foregoing delivery requirement shall not apply to matters for which Tenant has previously been responsible.

2.4 Disability Access

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.”

In furtherance of the foregoing, the parties agree that (i) if Tenant elects to perform a CASp inspection, Tenant will provide written notice to Landlord, and Landlord may elect, in Landlord’s sole discretion, to retain a CASp to perform the inspection; (ii) if Landlord does not so elect, the time and manner of the CASp inspection is subject to the prior written approval of Landlord; and (iii) in either event, the payment of the fee for the CASp inspection shall be borne by Tenant. The foregoing statements are included in this Lease solely for the purpose of

complying with California Civil Code Section 1938 and shall not in any manner affect Landlord's and Tenant's respective responsibilities for compliance with construction-related accessibility standards as provided in this Lease.

3. TERM

3.1 Term of Lease

The Premises are leased for a term (the "**Term**") commencing on January 1, 2025. The Term will end on the expiration date specified in the Basic Lease Information, or the date that this Lease is earlier terminated under the provisions of this Lease, unless City extends the Term pursuant to Section 3.4 (Extension Option(s)), below.

3.2 Commencement Date and Expiration Date

The dates that the Term commences and expires under this Lease are the "**Commencement Date**" and the "**Expiration Date**." If the Commencement Date occurs on a date other than the Estimated Commencement Date provided in the Basic Lease Information, then Landlord will promptly deliver to City a notice substantially in the form of the attached **Exhibit B** confirming the actual Commencement Date, but Landlord's failure to do so will not affect the dates of commencement or expiration of the Term.

3.3 Delay in Delivery of Possession

City is currently in possession of the Premises.

3.4 Extension Option

Landlord grants City the right to extend the Term (the "**Extension Option(s)**") for the additional term(s) specified in the Basic Lease Information (the "**Extended Term(s)**"). The Extended Term(s) will be on all of the terms and conditions contained in this Lease. Landlord acknowledges and agrees that City's exercise of an Extension Option will be conditioned on and subject to the Board of Supervisors and the Mayor enacting a resolution, at their respective sole and absolute discretion, approving and authorizing the extension ("**Exercise Approval**"). Accordingly, City's exercise of the Extension Option(s) will occur, if at all, in two steps. City may exercise an Extension Option, if at all, by giving first written notice to Landlord of the City's intent to extend the Lease (the "**Exercise Notice**") no later than three hundred and sixty-five (365) days before expiration of the Term; provided, however, if there is an uncured Event of Default on the date City gives an Exercise Notice, then Landlord may reject City's Exercise Notice. The Extension Option is personal to the City and cannot be exercised by any other person or entity other than the City while it is in full and actual possession of the Premises and without the intention of thereafter assigning or subletting. The Extension Option is not assignable. City will have ninety (90) days after the date the City delivers the Exercise Notice to Landlord to obtain Exercise Approval (unless the parties are proceeding under Section 4.3 (Determination of Base Rent for the Extended Term), in which event City will have sixty (60) days after the date the Director of Property approves the Base Rent under Section 4.3(b)(v) to obtain Exercise Approval). City makes no representation or warranty at the time of giving the Exercise Notice that City will receive Exercise Approval, and Landlord agrees that the Lease will not be extended if the City does not receive Exercise Approval for any reason or cause, including any alleged failure of advocacy. If the Exercise Approval is not received within the applicable time period in the preceding sentence, then Landlord may reject City's exercise upon written notice to City at any time before City receives the Exercise Approval. On receipt of the Exercise Approval, Tenant shall notify Landlord and the Extension Option will be deemed exercised and binding on the parties. If City extends the Term as provided in this Section, then the word "Term" will mean and include any Extended Terms.

4. RENT

4.1 Base Rent

Beginning on the Commencement Date, City will pay to Landlord the annual Base Rent specified in the Basic Lease Information (the “**Base Rent**”). The Base Rent is payable in equal monthly payments at the address specified for Landlord in the Basic Lease Information, or other place as Landlord may designate in writing on not less than thirty (30) days’ advance notice. City will pay the Base Rent monthly within thirty (30) days after invoice from Landlord and without any deductions or setoff except as otherwise provided in this Lease.

4.2 Adjustments in Base Rent

On each date specified in the Basic Lease Information for the adjustment of Base Rent (an “**Adjustment Date**”), the Base Rent payable under Section 4.1 (Base Rent) will be adjusted to equal one hundred three percent (103%) of the Base Rent for the lease year preceding the Adjustment Date.

4.3 Determination of Base Rent for the Extended Term

(a) At the commencement of the Extended Term, the Base Rent will be adjusted to ninety-five percent (95%) of the fair market rent rate for space of comparable size and location to the Premises then being offered for rent in other buildings similar in age, location, and quality to the Building (“**Comparable Space**”) situated within the downtown San Francisco business districts (North Financial District and South Financial District) (“**Reference Area**”); provided, however, in no event will the Base Rent be reduced below the Base Rent for the twelve (12)-month period before the Extended Term. As used in this Section, “**fair market rate**” means the base rent for Comparable Space, taking into account (i) any additional rent and all other payments and escalations payable under this Lease, (ii) floor location and size of the premises covered by leases of the Comparable Space, (iii) the duration of Extended Term under this Lease and the term of the leases for Comparable Space, (iv) free rent and any other tenant concessions given under the leases for Comparable Space, and (v) tenant improvement allowances and other allowances given under the leases for Comparable Space.

(b) Within thirty (30) days after City’s exercise of the Extension Option, Landlord will notify City of Landlord’s determination of the fair market rate for the Premises, together with Landlord’s reasonable supporting documentation. If City disputes Landlord’s determination of the fair market rate, City will notify Landlord within fourteen (14) days after Landlord’s notice to City of the prevailing market rate and the dispute will be resolved as follows:

(i) Within thirty (30) days after Landlord’s notice to City of the fair market rate, Landlord and City will attempt in good faith to meet no less than two (2) times, at a mutually agreeable time and place, to attempt to resolve the disagreement.

(ii) If within that thirty (30)-day period Landlord and City cannot agree on the fair market rate, then each will select one MAI appraiser to determine the fair market rate from City’s approved appraiser (MAI) list. Within thirty (30) days after the expiration of the thirty (30)-day consultation period, each party will cause its appraiser to prepare and complete an appraisal report determining the fair market rate and submit the report to Landlord and City.

(iii) If only one appraisal report is submitted within that thirty (30)-day period, then the fair market rate determined in that appraisal report will be used to establish the Base Rent for the Extended Term. If both appraisal reports are submitted

within the thirty (30)-day period, and if the fair market rates determined in the two appraisal reports differ by less than ten percent (10%) of the higher of the two, then the average of the two will be the fair market rate. If the fair market rates in the two appraisal reports differ by more than ten percent (10%) of the higher of the two, then the two appraisers will immediately select a third appraiser from the City's approved appraiser (MAI) list. "Section 23 of the City's Administrative Code provides for use of the City's approved appraiser list (which usually has approximately 10 appraisers on it) should the price per foot be over \$45/sf, this is a mandated requirement. It also requires a review appraisal if over \$65/sf. This is a requirement in all City leases, permits, and licenses since 2016. (See SF Adm. Code, Section 23.30.) Landlord does not have to use a City-approved appraiser for its one and original appraisal. However, the Board of Supervisors does not need to accept appraisals from non-City approved appraisers. So it is easier and quicker to just have both parties use from the list. Within ten (10) days after selection the third appraiser will determine which of the first two appraisal reports specified a value closest to the actual fair market value, which will be the prevailing market rate. The determination of the third appraiser will be final and binding on the parties. The parties will split the cost for the third appraisal.

(iv) If City's Director of Property does not approve the fair market rate as determined by the third appraiser within ten (10) days after delivery of the determination, the Director of Property may revoke City's exercise of the Extension Option.

Should the rent be over \$65 per square foot, the appraisal(s) must be reviewed by a Review Appraiser from the City's approved appraiser list. City shall have such review conducted in an expeditious manner.

4.4 Additional Charges

City will pay to Landlord any charges or other amounts required under this Lease as additional rent ("**Additional Charges**"), including the charges for City's Percentage Share of Real Estate Taxes and Operating Costs, as provided below. All Additional Charges are payable to Landlord at the place where the Base Rent is payable. The Base Rent and Additional Charges are sometimes collectively referred to "**Rent**."

4.5 Definitions

"**Base Year**" means the year specified in the Basic Lease Information.

"**City's Percentage Share**" means the percentage specified in the Basic Lease Information.

"**Expense Year**" means each calendar year commencing January 1st of each year during the Term, including any partial year in which this Lease commences; provided that Landlord, on advance written notice to City, may change the Expense Year to any other twelve (12) consecutive month period and, in the event of a change, City's Percentage Share of Operating Costs will be equitably adjusted for the Expense Years involved in the change. Expense Year does not include the Base Year.

"**Operating Costs**" means the total reasonable costs and expenses actually paid or incurred by Landlord in connection with the management, operation, maintenance, and repair of the Building, including: (1) the cost of air conditioning, electricity, steam, water, sewer, heating, mechanical, telephone, ventilating, escalator, and elevator systems and all other utilities, (2) the cost of general maintenance, cleaning, and service contracts, including all supplies, tools, and equipment for that maintenance, cleaning, and service, (3) the cost incurred by Landlord for all janitorial, security and insurance required to be carried on the Building or the use or occupancy

thereof, (4) wages, salaries, payroll taxes (not including any taxes imposed under the Business and Tax Regulations Code based on payroll expense), and other labor costs and employee benefits relating to Landlord's employees or its Agents (defined in Section 24.5 (Parties and Their Agents, Approvals) below) engaged in the operation, repair, or maintenance, of the Building, allocated in proportion to the percentage of that person's working time actually spent working in connection with the Building, (5) management fees in an amount equal to 3% of the gross rent for the Building (with Landlord agreeing to provide Tenant with the gross rent amount at Tenant's request), (6) fees, charges, and other costs of all independent contractors engaged by Landlord, allocated in proportion to the percentage of that person's working time actually spent working in connection with the Building, (7) accounting and legal expenses, (8) depreciation on personal property, including carpeting in public corridors and Common Areas and window coverings provided by Landlord, (9) the fair market rental value of offices in the Building for the property manager, and (10) costs of capital repairs, capital improvements, and equipment (A) reasonably required for the health and safety of the occupants of the Building or required by applicable Laws enacted on or after the date of this Lease (unless caused by Landlord's deliberate or negligent violation of such law, rule or regulation and except to the extent such improvements are attributable to or are made for the primary benefit of a tenant or occupant other than City) amortized over the useful life of the improvement and/or equipment, together with interest at the actual interest rate incurred by Landlord in connection those capital repairs, improvements, or equipment, unless caused by Landlord's deliberate or negligent violation of applicable Laws, and except to the extent the improvements are attributable to or are made for the primary benefit of a tenant or occupant other than City, or (B) acquired to cause, in Landlord's good faith judgment, an immediate (i.e., commencing within the first year after completion of the repairs or improvements or installation of equipment) reduction in other Operating Costs, amortized over the useful life of the repairs, improvements, or equipment at an annual rate reasonably calculated to equal the amount of Operating Costs to be saved in each calendar year throughout the Term (as determined at the time Landlord elected to proceed with the capital repair or improvement or acquisition of the capital equipment to reduce Operating Costs), together with interest at the actual interest rate incurred by Landlord. Attached hereto as Exhibit I is a copy of the 2023 Operating Costs billed to Tenant. The parties acknowledge that any examples of past operating costs provided by Landlord to Tenant have been provided for general information purposes only and shall not affect in any manner the terms of this Lease with respect to City's payment of Operating Costs. Specifically, and not by way of limitation, the parties acknowledge that the property taxes in the Base Year will be lower than the property taxes paid in prior years because of a successful property tax assessment appeal by Landlord.

"Operating Costs" expressly do not include the following:

- (i) Costs of capital repairs, capital improvements capital equipment, and capital tools, and rental payments, and other related expenses incurred in leasing air conditioning systems, elevators, or other equipment ordinarily considered to be of a capital nature, except as expressly permitted under clause (10) above;
- (ii) Rentals and other related expenses for items (except when needed in connection with normal repairs and maintenance of permanent systems) that, if purchased rather than rented, would constitute a capital improvement that is specifically excluded in item (i) above (excluding, however, equipment not affixed to the Building that is used in providing janitorial or similar services);
- (iii) Depreciation, amortization, and interest payments (including interest, principal, points, and fees on debt or amortization payment on any mortgages, deeds of trust, or other debt instruments) except to the extent permitted under clause (10) above and except on materials, tools, supplies, and vendor-type equipment purchased by Landlord to enable Landlord to supply services Landlord might otherwise contract for with a third party where the depreciation, amortization, and interest payments

would otherwise have been included in the charge for the third party's services, all as determined in accordance with sound real estate accounting principles, consistently applied.

(iv) Costs incurred by Landlord because of fire, windstorm, or other casualty or by the exercise of the right of eminent domain to the extent Landlord is entitled to be compensated through proceeds or insurance or condemnation awards, or would have been reimbursed if Landlord had in force all of the insurance required to be carried by Landlord under this Lease,

(v) Costs incurred by Landlord if any portion of the Building is made untenable by earthquake and cost of earthquake repairs in excess of one hundred thousand dollars (\$100,000) per earthquake (for this purpose, an earthquake is defined collectively as the initial earthquake and the aftershocks that relate to the initial earthquake);

(vi) Costs for which the Landlord is entitled to be reimbursed (other than as a reimbursement of Operating Costs) under any warranty, or by any tenant or occupant of the Building, or by insurance by its carrier or any tenant's carrier, or by anyone else;

(vii) Costs, including permit, license, and inspection costs, incurred for the installation of improvements made for other tenants or occupants of the Building or incurred in renovating or otherwise improving, decorating, painting, or redecorating vacant space for tenants or occupants in the Building;

(viii) Leasing commissions, attorneys' and other professionals' fees, space planning costs, and all other costs and expenses in connection with negotiations with present or prospective tenants or other occupants in the Building or any present or future ground lessors or holders of any mortgages or other encumbrances affecting any of the Building;

(ix) Leasing commissions, attorneys' fees, costs, and disbursements and other expenses incurred in connection with negotiations or disputes with tenants or other occupants or prospective tenants or other occupants, or associated with the enforcement of any leases or costs of the defense of Landlord's title to the Building or the Property;

(x) Expenses in connection with services or other benefits that are not offered to City or for which City is charged directly but that Landlord provides to another tenant or occupant of the Building;

(xi) Costs incurred by Landlord resulting from any dispute under the terms and conditions of any lease, ground lease, mortgage, or deed of trust, or covenants, conditions, or restrictions encumbering the Building or Property, or any violation of applicable Laws by Landlord or any other tenant or occupant of the Building;

(xii) Costs incurred in connection with upgrading the Building to comply with disabled access, life, fire and safety codes in effect before the reference date of this Lease, and costs incurred in connection with upgrading the Building to comply with the Americans with Disabilities Act, as amended, Title 24 of the California Code of Regulations (or its successor), the San Francisco Sprinkler Ordinance and the San Francisco Unreinforced Masonry Building Ordinance;

(xiii) Payments for management or other services in or to the Building, or for supplies or other materials to Landlord's subsidiaries or affiliates, to the extent that the costs of the services, supplies, or materials exceed the costs that would have been paid had the services, supplies, or materials been provided by parties unaffiliated with the Landlord on a competitive basis;

(xiv) Costs for which Landlord has been compensated by a management fee, and any management fees in excess of management fees normally charged by landlords of comparable buildings in San Francisco;

(xv) Any ground lease rental or rental under any other underlying leases;

(xvi) Except as specifically permitted under clause (10) above, interest, principal, points, and fees on debts or amortization on any mortgage, deed of trust, or any other debt instrument encumbering any of the Building or the Property;

(xvii) Any compensation paid to clerks, attendants, or other persons in commercial concessions operated by Landlord or in any parking facility at or for the Building;

(xviii) All items and services for which City, any other tenant or occupant of the Building or anyone else reimburses Landlord (other than through a party's proportionate share of Operating Costs), or that Landlord provides selectively to one or more other tenants or occupants without reimbursement, or that are not provided in reasonable proportion to the Premises but that Landlord provides to another tenant or other occupant of the Building;

(xix) Advertising or promotional expenditures, and the costs of acquiring and installing signs in or on any of the Building identifying the owner of the Building or any tenant or occupant of the Building;

(xx) Costs of any electric power used by any tenant in the Building for which the tenant directly contracts with the local public service company or of which any tenant is separately metered or submetered and pays Landlord directly (and if any tenant in the Building contracts directly for electric power service or is separately metered or submetered during any portion of the relevant period, the total electric power costs for the Building must be "grossed up" to reflect what those costs would have been had each tenant in the Building used a commercially reasonable, standard amount of electric power;

(xxi) Services provided, taxes attributable to, and costs incurred in connection with the operation of retail, restaurant, and garage operations in the Building;

(xxii) "in-house" legal or accounting fees;

(xxiii) Real Estate Taxes, exclusions from Real Estate Taxes as set forth in the definition of that term below, and any tax penalties incurred as a result of Landlord's negligence or Landlord's inability or unwillingness to make tax payments when due;

(xxiv) Fines, penalties, or interest resulting from the negligence or fault of other tenants or of the Landlord or their Agents;

(xxv) Costs arising from the presence of Hazardous Material in, under, or about the Building including groundwater or soil conditions;

(xxvi) Costs, fees, dues, contributions, or similar expenses for or related to charitable or political causes or candidates;

To the extent the following costs arise during any applicable warranty periods, costs as a result of repairs of latent defects in the design or original construction of the Building, or improvements made or installed by Landlord or any previous owner, or in the Building Systems;

(xxviii) Costs for sculpture, paintings, or other objects of art;

(xxix) Costs arising from claims, disputes, or potential disputes (including tax disputes where the tenants of the Building would receive benefits if Landlord prevails to the extent that the costs exceed the benefits to the tenants of the Building), in connection with potential or actual claims, litigation, or arbitrations pertaining to Landlord or the Building, including all attorneys' fees and costs of settlement, judgments, and other similar payments;

(xxx) All direct cost of refinancing, selling, exchanging, or otherwise transferring ownership of any portion of the Building or the Property or any interest in any portion of the Property, including broker commissions, attorney's fees, and closing costs;

(xxxi) Reserves for bad debts, rent loss, capital items, future improvements, repairs, or additions, Real Estate Taxes, or Operating Costs;

(xxxii) The wages and benefits of any employee who does not devote substantially all of his or her employed time to the Building unless the wages and benefits are prorated to reflect time spent on operating and managing the Building vis-a-vis time spent on matters unrelated to operating and managing the Building;

(xxxiii) Landlord's general corporate overhead and general and administrative expenses and all costs associated with the operation of the business of the ownership or entity that constitutes "Landlord," as distinguished from the costs of Building operations, management, maintenance or repair; and

"Real Estate Taxes" means all taxes, assessments, and charges levied assessed or imposed on or with respect to the Building (or portion thereof) owned by Landlord, or Landlord's interest in the Building. Real Estate Taxes include all general or special real property taxes and general and special assessments, charges, fees, or assessments for transit, housing, police, fire, or other governmental services, service payments in lieu of taxes that are now or later levied or assessed against Landlord by the federal, state, or local government, district or public corporation, and will 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. Real Estate Taxes (and Operating Costs) expressly do not include: (1) franchise, real property transfer, other transfer, inheritance, business registration, payroll expense, or capital stock taxes, or income taxes of Landlord from all sources unless, due to a change in the method of taxation, any of those taxes are 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, (3) any personal property taxes payable by City or by any other tenant or occupant of the Building unless such taxes are assessed on improvements owned by Landlord, (4) any

increase in Real Estate Taxes due to improvements to another tenant's premises in the Building or another tenant's leased space reverts to Landlord; (5) to the extent the rent payable under this Lease is exempt therefrom, any Early Care and Education Commercial Rents Tax imposed under Article 21 of the Business and Tax Regulations Code, (6) any costs associated with contesting taxes, (7) to the extent the rent payable under this Lease is exempt therefrom, SF Commercial Gross Rent Tax; or (8) to the extent the rent payable under this Lease is exempt therefrom, the City of San Francisco regular general business tax (and, if the rent is not exempt, only annual increases of more than six percent over the tax paid in the preceding year shall be included in Real Estate Taxes).

"Tax Year" means each calendar year during the Term, including any partial year during which this Lease commences; provided that, by notice to City, Landlord may change the Tax Year from time to time to any other twelve (12) consecutive month period and, in the event of that change, City's Percentage Share of Real Estate Taxes will be equitably adjusted for the Tax Year during the change.

4.6 Adjustments to Base Year

(a) **Operating Costs.** If the Building is not at least ninety five percent (95%) occupied during all or a portion of the Base Year or any Expense Year, then Landlord will make an appropriate adjustment to the components of Operating Costs for that year to determine the amount of Operating Costs that would have been incurred had the Building been ninety five percent (95%) occupied; and the amount Landlord determines will be deemed to have been the amount of Operating Costs for that year; provided, however, in no event shall Landlord recapture more than one hundred percent (100%) of the Operating Costs in any Expense Year. If Landlord does not carry earthquake or terrorism insurance for the Building during the Base Year but subsequently obtains earthquake or terrorism insurance for the Building during the Lease Term, then from and after the date that Landlord obtains earthquake or terrorism insurance, as the case may be, and continuing throughout the period during which Landlord maintains that insurance, Operating Costs for the Base Year will be deemed to be increased by the amount of the premium Landlord would have incurred had Landlord maintained that insurance for the same period of time during the Base Year. If during the Base Year or any Expense Year, Landlord does not furnish any particular work or service (the cost of which, if performed by Landlord, would be included in Operating Costs) to a tenant who has undertaken that work or service in lieu of Landlord, Operating Costs will be deemed to be increased by an amount equal to the additional Operating Costs that would reasonably have been incurred during that period by Landlord if it had furnished the work or service to the tenant. . Further, if after the Base Year, Landlord changes its custom and practice in operating the Building and adds services or incurs expenses relating to separate categories of Operating Costs that existed as of the Base Year but were not part of Operating Costs during the entire Base Year, then the Operating Costs for the Base Year will be grossed up to reflect what Operating Costs would have been if the custom or practice with respect to such additional services or categories of Operating Costs been provided during the entire Base Year. Operating Costs for the Base Year will not include market-wide labor-rate increases resulting from extraordinary circumstances, including boycotts and strikes, and utility rate increases resulting from extraordinary circumstances including conservation surcharges, boycotts, embargoes or other shortages, or amortized costs relating to capital improvements.

Taxes. If a new type of Real Estate Tax is imposed or the method of calculating a particular Real Estate Tax is modified after the Base Year, then Real Estate Taxes for the Base Year will be adjusted on a basis consistent with sound real estate accounting principles, to reflect Real Estate Taxes as if the new type of tax or method had been in effect in the Base Year. If the property tax assessment for the Building or Real Estate Taxes for the Base Year or any Expense Year does not reflect an assessment or Real Estate Taxes for a 95% occupied building, then Real Estate Taxes for the Base Year or Expense Year (as applicable) will be adjusted to reflect Real Estate Taxes for a 95% occupied Building. Real Estate Tax during the initial term of the Lease shall

not include any increases in taxes resulting from a change of ownership of the Building or land thereunder after the date of this Lease. The preceding sentence shall not apply during any option period.

4.7 Calculation of Operating Costs and Real Estate Taxes

Calculation of Operating Costs. The calculation of Operating Costs will be made in accordance with sound real estate accounting principles. With respect to the costs of capital repairs, improvements, or equipment included in Operating Costs under clause (10) of the definition of Operating Costs, those costs will be included in Operating Costs only after the capital Improvement is completed and put into service. Landlord will not collect or be entitled to collect Operating Costs from all of its tenants in the Building an amount that is more than 100% of the Operating Costs actually paid by Landlord in connection with the Building.

[intentionally omitted].

4.8 Payment of City's Percentage Share of Operating Costs

Commencing the first month after the end of the Base Year, City will pay to Landlord each month, as Additional Charges, one twelfth (1/12) of City's Percentage Share of the amount, if any, by which Operating Costs for each Expense Year exceed the Operating Costs for the Base Year. City will make the payments, in advance, in an amount estimated by Landlord in reasonable detail in a writing delivered to City at least four (4) months, or at least by August 31st of each year (before June 1st would be preferred by Tenant), before the first payment of City's Percentage Share of Operating Costs is due. Landlord will update its estimates of Operating Costs each Lease year, but none of the revised estimates will be retroactive. With reasonable promptness not to exceed ninety (90) days after the expiration of each Expense Year, Landlord will furnish City with a statement ("**Landlord's Expense Statement**"), prepared by an independent certified public accountant, setting forth in reasonable detail the actual Operating Costs for the Expense Year and City's Percentage Share. If City's Percentage Share of the actual Operating Costs for the Expense Year exceeds the estimated Operating Costs paid by City for that Expense Year, City will pay to Landlord (whether or not this Lease has terminated) the difference between the amount of estimated Operating Costs paid by City and City's Percentage Share of the actual Operating Costs within thirty (30) days after the receipt of Landlord's Expense Statement. If the total amount paid by City for its Percentage Share of Operating Costs exceeds City's Operating Costs Share of the actual Operating Costs for the Expense Year, the excess will be credited against the next installments of City's Percentage Share of Operating Costs or refunded to City, at City's option.

4.9 Payment of City's Percentage Share of Real Estate Taxes

Commencing the first month after the end of the Base Year, City will pay Landlord each month, as Additional Charges, one twelfth (1/12) of City's Percentage Share of the amount, if any, by which Real Estate Taxes for each Tax Year exceed Real Estate Taxes for the Base Year. City will make those payments, in advance, in an amount estimated by Landlord in reasonable detail in a writing delivered to City at least four (4) months before the first payment of City's Percentage Share of Real Estate Taxes is due. With reasonable promptness not to exceed sixty (60) days after Landlord has received the tax bills for any Tax Year, Landlord will furnish City with a statement ("**Landlord's Tax Statement**") setting forth the actual amount of Real Property Taxes for the Tax Year and City's Percentage Share. If City's Percentage Share of the actual Real Estate Taxes for the Tax Year exceeds the estimated Real Estate Taxes paid by City for that Tax Year, City will pay to Landlord (whether or not this Lease has terminated) City's Percentage Share of the actual Real Estate Taxes within thirty (30) days after the receipt of Landlord's Tax

Statement. If the total amount of estimated Real Estate Taxes paid by City for the Tax Year exceeds City's Percentage Share of the actual Real Estate Taxes, the excess will be credited against the next installments of City's Percentage Share of Real Estate Taxes, or at City's option, the excess will be refunded to City.

4.10 Proration

If the Commencement Date or Expiration Date occurred on a date other than the first or last day of a Tax Year or Expense Year, then City's Percentage Share of Real Estate Taxes or Operating Costs for the Tax Year or Expense Year in which the Commencement Date or Expiration Date occurs, will be prorated based on a three hundred sixty-five (365)-day year.

4.11 Audits

After not less than five (5) business days' notice to Landlord, City may audit the books and records of the Building related to Operating Costs and Real Estate Taxes. If the audit discloses any discrepancies that would result in a reduction of City's Percentage Share of Operating Costs for any Expense Year, Landlord will immediately refund to City the amount of any overpayment by City. City will pay the cost of the audit, but if an audit discloses any discrepancies that result in a reduction of City's Percentage Share of Operating Costs and/or Real Estate Taxes by six percent (6%) or more for any Expense Year or Tax Year, then Landlord will pay the reasonable costs of the audit. If Landlord does not agree with the results of such audit, it may conduct its own audit at its own expense. Upon receipt and review of Landlord's audit, the audit teams will meet and confer regarding same. Should the audit teams fail to reach a mutually agreeable conclusion, then Landlord and City shall select a mutually acceptable certified public accountant with experience in determining operating expenses in commercial building who shall determine City's Percentage Share of Operating Costs and Real Estate Taxes for the Expense Year or Tax Year. Such determination shall be final and binding on the parties. The cost of the certified public accountant shall be borne equally by the parties.

4.12 Records

Landlord will maintain at the Building or at its offices in San Francisco in a safe, complete, and organized manner all of its records related to this Lease, Real Estate Taxes, Operating Costs, and any other charges paid by City under this Lease, for at least three (3) years after the Expiration Date or earlier termination of the Term. Landlord will maintain the records on a current basis and in sufficient detail to facilitate adequate review and audit. All books and records will be available for inspection, copying, and audit by City and its representatives, at City's expense, subject to the provisions of Section 4.11 (Audits).

4.13 Payments by City

Landlord acknowledges that City cannot make any payments to Landlord unless Landlord is qualified as an approved vendor in City's financial and payment system. Therefore, City will not be in default of any monetary obligation under this Lease and no interest or late charge will apply, if Landlord is not an approved vendor with City. More information about being an approved vendor with City is available at <https://sfcitypartner.sfgov.org/Vendor/BecomeSupplier>. All Rent that has accrued while Landlord was not an approved vendor will be payable within twenty (20) after City receives Landlord's written notice and the Contract Monitoring Division confirms that Landlord has been approved as a City vendor.

4.14 Landlord's Compliance with City Business and Tax Regulations Code

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

4.15 Additional Services

City may request that Landlord provide or arrange for additional services for the Premises, which Landlord may provide or arrange in its reasonable discretion. If Landlord elects to provide the requested additional services and City has approved the cost and scope of those services in advance, then City will pay Landlord as Additional Charges the cost of those services plus a three percent (3%) administrative fee. Landlord may not contract for or provide any such additional services (and City will not be obligated to pay for such services) without City's prior written approval of the cost of the additional services (which may be the known costs, or an hourly rate and maximum number of hours, or a cost estimate with a not-to-exceed maximum amount) in writing before Landlord incurs any costs. City will pay for the cost of the additional services and the administrative fee within thirty (30) days after receipt of an invoice; provided, however, that City may elect to provide any deposit or other prepayment that City determines is appropriate given the nature of the requested services. Any additional terms for the additional services will be memorialized by a written agreement, which, upon execution by Landlord and City, will be considered a part of this Lease.

5. USE

5.1 Permitted Use

City may use the Premises for general office uses and any other uses specified in the Basic Lease Information, and for no other use without Landlord's prior written consent, which may not be unreasonably withheld, conditioned, or delayed. Notwithstanding the foregoing, the basement portion of the Premises shall be used solely for the purpose of storage and placement of equipment. The ground floor portion of the Premises shall be used as the customer office of the Child Support Services unless the ground floor space cannot handle the entire case load. In such event, City may also use the upper floors as a customer office provided that all customers use the rear Building entrance on Mission and Minna Street for ingress and egress to the Premises. City acknowledges that Landlord may take into account the impact on other tenants, prospective tenants and the marketing of the Building in determining whether to consent to a change in use.

5.2 Observance of Rules and Regulations

City will observe the rules and regulations for the Building attached to this Lease as **Exhibit C** (the "**Rules and Regulations**"), but the provisions of this Lease will govern over any conflicting Rules and Regulations. Landlord may make reasonable changes to the Rules and Regulations, but all changes must be applicable to all other Building tenants and the changes may not (a) reduce Landlord's obligations under the Lease, (b) conflict with the provisions of this Lease, (c) materially increase City's burdens or obligations, (d) impose a charge on City for services that this Lease expressly states are to be provided to City at no charge, or (e) materially

adversely affect any permitted use of the Premises. The changes permitted under this Section will be binding on City within a reasonable implementation period after delivery of Landlord's written notice of the changes to City. Landlord will administer the Rules and Regulations in a fair and nondiscriminatory manner and use reasonable efforts to cause other Building tenants to comply with them. Landlord will notify City of any waiver of or special dispensation under the Rules and Regulations granted by Landlord to any other tenant in the Building and on request, City will be entitled to the same waiver or special dispensation.

5.3 Interference with Access

Subject to the terms of this Lease, City shall have access to the Premises 24 hours per day, seven days per week. In the event that City is prevented from using, and does not use, the Premises or any material portion thereof, as a result of any repair, maintenance or alteration performed by Landlord which substantially interferes with City's use of the Premises (an "**Abatement Event**"), then (i) Landlord shall promptly perform and complete such work in a diligent manner; and (ii) Rent will be abated based on the extent to which the condition interferes with City's ability to normally and safely carry on its business at the Premises. If the Event continues for thirty (30) days or more after City's use is interrupted or impaired then, without limiting any of its other rights under this Lease, City may terminate this Lease, unless Landlord supplies City with evidence reasonably satisfactory to City that City's normal and safe use will be restored within sixty (60) days after the date City's use was interrupted or impaired, and City's full use is actually restored within that sixty (60)-day period. Notwithstanding the foregoing, the provisions of Section 12 shall govern with respect to a casualty and the provisions of Section 13 shall govern with respect to a condemnation.

6. LEASEHOLD IMPROVEMENTS

6.1 Landlord's Obligation to Construct Improvements

In accordance with the provisions of this Section and the Basic Lease Information above, Landlord, through its general contractor reasonably approved by City, will perform certain work consisting of painting and make certain installations, consisting of carpeting, in the first floor lobby area of the Premises and the Common Areas, as approved by City. The foregoing work and installations are referred to as the "**Leasehold Improvement Work**" and "**Leasehold Improvements.**" City shall pay the costs (including hard, soft and permitting costs) of the Leasehold Improvement Work in excess of \$77,225, if any.

(a) Specifications and Materials

(i) Landlord will cause its space planner/representative to prepare and submit to City for its approval building standard finish/color specifications and carpet swatches for the Leasehold Improvements, based on City's program requirements for use of the Premises, and in form and detail sufficient for purposes of contractor pricing. Upon receipt of the swatches and finish specifications, City has ten (10) days to approve them, reject them, inquire about them.

(ii) As soon as reasonably possible, but in no event later than thirty (30) working days after City's notice, Landlord will submit to City final plans, specifications, and working drawings incorporating the revisions required by City. The revised plans, specifications, and working drawings will be subject to City's approval, which may not be unreasonably withheld or delayed. The final plans, specifications, working drawings and pricing for the Leasehold Improvements approved by City are referred to as the "**Construction**"

Documents.” Construction Documents shall only be prepared by Landlord if and to the extent required to obtain permits for the Leasehold Improvement Work.

(b) Permits

If applicable, Landlord will secure and pay for any building permits and other permits and approvals, government fees, licenses, and inspections necessary for the proper performance and completion of the Leasehold Improvement Work shown on the Construction Documents. Promptly after City’s approval of the Construction Documents, Landlord will apply for any permits, approvals, or licenses necessary to complete the Leasehold Improvement Work and will provide copies to City promptly following receipt. Landlord will be responsible for arranging for all inspections required by City’s Department of Building Inspection.

(c) Construction

Immediately after approval of the Construction Documents and Landlord’s receipt of all necessary permits and approvals, Landlord will commence the construction and cause the Leasehold Improvements to be completed in a good and professional manner in accordance with sound building practices. Landlord will comply with and give notices required by all Laws (defined in Section 10.1 (Landlord’s Compliance with Laws)), related to construction of the Leasehold Improvements. Without limiting the foregoing, construction of the Leasehold Improvements must comply with all applicable disabled access laws, including the most stringent requirements of the Americans with Disabilities Act of 1990, California Code of Regulations Title 24 (or its successor) and City’s requirements for program accessibility. Landlord will pay prevailing wages in connection with construction of the Leasehold Improvement Work as further provided in Section 23.3 (Prevailing Wages and Working Conditions), and may not use tropical hardwood wood products, or virgin redwood wood products as further provided in Section 23.5 (Tropical Hardwood and Virgin Redwood Ban).

(d) Construction Schedule

(i) Landlord will keep City apprised on a regular basis of the status of plan preparation, permit issuance, and the progress of construction.

(ii) The Leasehold Improvement Work will be deemed to be “**substantially completed**” for purposes of this Lease when the Leasehold Improvements have been sufficiently completed in accordance with the approved Construction Documents so that City can occupy the Premises and conduct its business for its intended uses and City, through its Director of Property, has approved the Leasehold Improvements. At its option, City may approve the Leasehold Improvements even though there may remain incomplete minor details that would not interfere with City’s use. Landlord will promptly and diligently cause all incomplete details to be completed. Within thirty (30) days after acceptance of the Premises or as soon after acceptance as practicable, City may present to Landlord a written punchlist of any items that have not been finished in accordance with the Construction Documents. Within thirty (30) days after the delivery of the punchlist, Landlord will promptly complete all defective or incomplete items identified in the punchlist. City’s failure to include any item on the punchlist will not alter Landlord’s obligation under this Lease to complete all Leasehold Improvement Work in accordance with the approved Construction Documents or constitute a waiver of any latent defects.

No approval by City or any of its Agents of the Pricing Plans, Construction Documents, or completion of the Leasehold Improvement Work for purposes of this Lease will be deemed to constitute approval of any governmental or regulatory authority with jurisdiction over the Premises, and nothing in this Lease will limit Landlord’s obligations to obtain all necessary or required approvals.

6.2 [Construction of Leasehold Improvements] Not Applicable

6.3 Installation of Telecommunications and Other Equipment

Landlord and City acknowledge that the Leasehold Improvement Work will not include the installation of telecommunications, data, and computer cabling facilities and equipment. City is responsible for installing those facilities and equipment.

6.4 [Construction of Improvements that Disturb or Remove Exterior Paint] Not Applicable

7. ALTERATIONS

7.1 Alterations by City

City may not make or permit any alterations, installations, additions, or improvements (collectively, “**Alterations**”) to the Premises without first obtaining Landlord’s written consent, which Landlord will not unreasonably withhold, condition, or delay. Installation of furnishings, fixtures, equipment, or decorative improvements not attached in such a manner that the removal thereof may damage the Premises or that do not affect the Building Systems or structural integrity of the Building, and the repainting and recarpeting of the Premises do not constitute Alterations and do not require Landlord’s consent. Any Alterations permitted under this Lease will be made at City’s cost in compliance with applicable Laws (as defined in Section 10.1 (Landlord’s Compliance with Laws)). Without cost to itself, Landlord will cooperate with City in securing building and other permits and authorizations needed for any permitted Alterations. Landlord will not be entitled to any construction or other administrative fee in connection with any Alteration. City will not be required to remove any Alterations on the expiration or sooner termination of this Lease unless Landlord notifies City in writing at the time Landlord approves the Alterations that they must be removed. City is not required to remove any improvements not requiring Landlord’s consent.

7.2 Title to Improvements

Except for City’s Personal Property (as defined in the next Section), all appurtenances, fixtures, improvements, equipment, additions, and other property permanently installed in the Premises as of the Commencement Date or during the Term will be and will remain Landlord’s property. City may not remove Landlord’s property without Landlord’s written approval.

7.3 City’s Personal Property

All furniture, furnishings, equipment, trade fixtures, and articles of movable personal property installed in the Premises by or for City and that can be removed without structural damage to the Premises (collectively, “**City’s Personal Property**”) are and will remain City’s property.

At any time during the Term, City may remove any of City’s Personal Property, and City will repair any damage to the Premises resulting from that removal. On the expiration or earlier termination of this Lease, City will remove City’s Personal Property from the Premises in accordance with Section 20 (Surrender of Premises). Landlord acknowledges that some of City’s Personal Property may be financed by an equipment lease financing otherwise subjected to a security interest, or owned by an equipment company and leased to City (“**Secured Personal Property**”). Landlord recognizes the rights of any supplier, lessor, or lender who has an interest in any items of Secured Personal Property to enter the Premises after notice to Landlord and remove that Secured Personal Property at any time during the Term. On City’s reasonable request, Landlord will execute and deliver any document reasonably required by any supplier, lessor, or lender in connection with the installation of any items of Secured Personal Property in the Premises, under which Landlord waives any rights it may have or acquire with

respect to the Secured Personal Property, so long as the supplier, equipment supplier, lessor, or lender agrees that it **(i)** will remove the Secured Personal Property from the Premises prior to the Expiration Date (and if it does not remove the Secured Personal Property within that time the equipment supplier, lessor, or lender will have waived any rights it may have had to the Secured Personal Property), and **(ii)** will repair any damage caused by the removal of the Secured Personal Property.

7.4 Alteration by Landlord

Landlord will use commercially reasonable efforts (without being required to perform work after hours) to minimize interference with or disruption to City's use and occupancy of the Premises during any alterations, installations, additions, or improvements to the Building, including any leasehold improvement work for other tenants in the Building. All work performed within the Premises by Landlord's staff or third parties must be attended and/or accompanied by Child Support Services Staff to insure data security measures required by the State of California are met unless an emergency.

8. REPAIRS AND MAINTENANCE

8.1 Landlord's Repairs

At its cost, Landlord will repair and maintain the exterior and structural portions of the Building in first-class condition, including, the roof, foundation, bearing and exterior walls, windows, doors, door frames, demising walls, and subflooring, and the heating, ventilating, air conditioning, plumbing, electrical (including overhead lights), fire protection, life safety, security, and other mechanical, electrical, and communications systems of the Building (collectively, the "**Building Systems**") and the Common Areas. Without limiting the foregoing, Landlord will maintain the Building in a clean, safe, and attractive manner, will provide exterior graffiti removal with reasonable frequency, and will not permit any other tenants of the Building to unreasonably disturb or interfere with City's use of the Premises or permit to be done in or about the Building or the Common Areas anything that is illegal, is dangerous to persons or property, or constitutes a nuisance.

8.2 City's Repairs

Subject to Landlord's warranty under Section 10.1 (Premises Condition), any construction warranties or guaranties received in connection with Landlord's completion of the Leasehold Improvements, and Landlord's repair and maintenance obligations under this Lease, City will repair and maintain at its cost the interior portions of the Premises and will keep the Premises in good working order and in a safe and sanitary condition, except for ordinary wear and tear and damage by casualty or condemnation. City will make any required repairs and replacements to the interior of the Premises that Landlord specifies in writing **(a)** at City's cost, **(b)** by contractors or mechanics selected by City and reasonably approved by Landlord, **(c)** so that the interior portions of the Premises will be at least substantially equal in quality, value, and utility to the original work or installation before the damage, **(d)** in a manner and using equipment and materials that will not materially interfere with or impair the operations, use, or occupation of the Building or the Building Systems, and **(e)** in compliance with all applicable Laws, including any applicable contracting requirements under City's Charter and Administrative Code. At all times during the Term, promptly after City's reasonable notice, Landlord will provide City and its Agents with access to those portions of the Building that are necessary to maintain or repair the telecommunications and data and computer cabling facilities and equipment installed by City.

8.3 Liens

City will keep the Premises free from liens arising out of any work performed, material furnished, or obligations incurred by City during the Term. Landlord may post on the Premises any notices permitted or required by Laws or that are needed for the protection of Landlord, the Premises, or the Building, from mechanics' and material suppliers' liens. City will give Landlord at least ten (10) days' prior written notice of commencement of any repair or construction by City on the Premises.

9. UTILITIES AND SERVICES

9.1 Landlord's Provision of Utilities

Landlord will furnish the following utilities and services to the Premises: **(a)** heating, air conditioning, and ventilation in amounts required for City's comfortable use and occupancy of the Premises, during the period from 8:00 a.m. to 6:00 p.m., Monday through Friday, except holidays generally recognized in San Francisco; **(b)** electric current in amounts required for normal lighting and for the operation of personal computers and other normal office machines and equipment, on a twenty-four (24) hours-a-day, three hundred sixty-five (365) days-a-year basis ("**Daily Basis**"); **(c)** elevator service on a Daily Basis; and **(d)** water for lavatory, kitchen, and drinking purposes on a Daily Basis. Without limiting Landlord's obligations under this Section, Landlord will furnish all utilities and services required under this Lease in a manner consistent with utilities and services normally provided in other buildings similar to the Building in the San Francisco Financial District.

Notwithstanding the above, City shall pay for the cost of the electricity for the Premises and the roof-mounted HVAC equipment separately and directly to the utility company. The parties acknowledge that there is one or more separate meters for the ground floor commercial space. Landlord is not required to provide HVAC or water to the basement (or storage space) of the Premises.

9.2 Services

(a) Janitorial Service

As an Operating Expense, Landlord will provide janitorial service in accordance with the specifications contained in the attached **Exhibit E**.

(b) Security Service

As an Operating Expense, Landlord will provide security for the Building in accordance with the specifications contained in the attached **Exhibit F**.

9.3 Conservation

Landlord may establish reasonable measures to conserve energy and water, including automatic light shut off after hours and efficient lighting forms, so long as these measures do not unreasonably interfere with City's use of the Premises.

9.4 Disruption in Essential Utilities or Services

If any failure, stoppage, or interruption of any utilities or services to be furnished by Landlord occurs, Landlord will immediately notify City of the failure, stoppage, or interruption; diligently attempt to restore service as promptly as possible; and keep City apprised of its efforts. If Landlord is unable to supply any of the Building's sanitary, electrical, heating, air

conditioning, water, elevator, fire protection and security, audio, video or electronic communications, hazard detection and alarm, or other essential services serving the Premises (collectively, “**Essential Services**”) and that inability of Landlord impairs City’s ability to carry on its business in the Premises for (a) two (2) or more business days and it is in Landlord’s reasonable control to restore the Essential Services or (b) five (5) or more consecutive business days if the failure is not within Landlord’s reasonable control, then the Rent will be abated based on the extent that the lack of the Essential Services impairs City’s ability to carry on its business in the Premises. The abatement or right to provide the Essential Services and offset against Rent will continue until the Essential Services have been restored so that the lack of any remaining Essential Services no longer materially impairs City’s ability to carry on its business in the Premises. Landlord will use its best efforts to restore disrupted Essential Services as soon as possible. If the failure to provide any Essential Services occurs for any reason within Landlord’s reasonable control for thirty (30) days or more in any ninety (90) day period and that failure materially and substantially interferes with City’s ability to carry on its business in the Premises, then, without limiting any of its other rights or remedies under this Lease or at law or in equity, City may terminate this Lease on written notice to Landlord. City will not be entitled to any abatement of Rent or right to terminate solely if Landlord’s inability to supply Essential Services to City is due to the negligent or willful acts, or omissions of City and its Agents.

10. COMPLIANCE WITH LAWS; PREMISES CONDITION

10.1 Landlord’s Compliance with Laws; Premises Condition; Indemnity

Subject to City’s obligation under Section 8.2 (City’s Repairs), Landlord will at all times during the Term maintain, at its cost, the Property, Building, Common Areas, and the Building Systems in compliance with applicable present or future federal, state, local, and administrative laws, rules, regulations, orders, and requirements as required and interpreted by the City (collectively, “**Laws**”). Landlord represents and warrants to City to the best of Landlord’s knowledge that: (a) the physical structure, fixtures, and permanent improvements of the Premises (including the Leasehold Improvements, but excluding any improvements or alterations made by City) and all portions of the Property and the Building along the path of travel to the Premises (including the Building entrances, Common Areas, restrooms, elevators, lobbies, telephone banks, and drinking fountains) are now, and as of the Commencement Date will be, in compliance with the requirements of the Americans With Disabilities Act of 1990, California Code of Regulations Title 24, and all other applicable Laws intended to provide equal accessibility for persons with disabilities (collectively, “**Disabilities Laws**”); (b) the Building is not an unreinforced masonry building, and is now, and as of the Commencement Date will be, in compliance with all applicable Laws relating to seismic safety (collectively, “**Seismic Safety Laws**”); (c) the Building, the Common Areas, and Building Systems serving the Premises are now, and as of the Commencement Date will be, in full compliance with all applicable Laws relating to fire and life safety (including the San Francisco High-Rise Sprinkler Ordinance) (collectively, “**Life Safety Laws**”); (d) the Building, the Common Areas, and Building Systems serving the Premises are now, and as of the Commencement Date will be, in compliance with all other applicable Laws; and (e) there are not now, and as of the Commencement Date will not be, any material physical or mechanical defects in the Premises, Building, or the Building Systems that would materially adversely affect City’s intended use of the Premises. Without limiting Section 16.2 (Landlord’s Indemnity), Landlord will Indemnify City against any and all Claims (defined in Section 16.1 (City’s Indemnity) below) arising out of (i) any failure of the Property, Building, Common Areas, Building Systems (or any portion of any of them) to comply with applicable Laws; or (ii) any misrepresentation by Landlord under this Section.

10.2 City's Compliance with Laws; Indemnity

City will use the Premises during the Term in compliance with applicable Laws, except that City will not be required to make any structural alterations, additions, or other modifications in order to comply with applicable Laws unless the modifications are necessary solely because of City's unique use of the Premises or any Alterations to the Premises made by City under Section 7 (Alterations) and the modifications are not otherwise Landlord's responsibility under this Lease. City will be responsible for complying with any requirement of the Disabilities Laws relating to the placement of City's furniture or other City Personal Property and the operation of any programs in the Premises, other than any requirement relating to the physical structure, fixtures, and permanent improvements of the Premises or portions of the Property or Building along the path of travel to the Premises, which are Landlord's obligation as provided in Section 10.1 (Premises Condition). Without limiting Section 16.1 (City's Indemnity), City will Indemnify Landlord against any and all Claims arising out of City's failure to comply with all applicable Laws as provided in this Section.

10.3 City's Compliance with Insurance Requirements

City will not conduct any use in or about the Premises that would: (a) invalidate or be in conflict with any fire or other casualty insurance policies covering the Building or any property located in the Building, (b) result in a refusal by casualty insurance companies of good standing to insure the Building or property in the Building in amounts reasonably satisfactory to Landlord or the holder of any mortgage or deed of trust encumbering the Building, (c) cause an increase in the casualty insurance premium for the Building unless City agrees to pay the increase, or (d) subject Landlord to any liability or responsibility for injury to any person or property solely because of the business operation conducted by City in the Premises; provided, however, Landlord will provide City with reasonable prior written notice of any applicable insurance requirements and no insurance requirements will materially and adversely interfere with City's normal business in the Premises.

11. SUBORDINATION

Subject to subsection (b) below, this Lease is subject and subordinate at all times to the following (each an "**Encumbrance**"): (i) any reciprocal easement agreements, ground leases, or other underlying leases that may later be executed affecting Landlord's interest in the Property (or any portion of it), and (ii) the lien of any mortgages or deeds of trust and renewals, modifications, consolidations, replacements, and extensions of any of the foregoing that may be executed by Landlord at any time in any amount for which any part of the Property, any ground lease, or underlying lease, or Landlord's interest or estate in them is subject. But, if the ground lessor, mortgagee, trustee, or holder of any mortgage or deed of trust (each an "**Encumbrancer**") elects to have City's interest in this Lease be superior to its Encumbrance, then, on City's receipt of a notice from the Encumbrancer, this Lease will be deemed superior, whether this Lease was executed before or after the date of the Encumbrance or the date of its recording. The provisions of this subsection are self-operative and no further instrument will be required. At Landlord's request, however, City will enter into a subordination, nondisturbance, and attornment agreement ("**SNDA**") with Encumbrancer in a form reasonably acceptable to City and Encumbrancer evidencing the subordination or superiority of this Lease. City's covenant under this subsection (a) to subordinate this Lease to any Encumbrance is conditioned on each senior instrument containing the commitments in subsection (b) below.

If any mortgage or deed of trust to which this Lease is subordinate is foreclosed or a deed in lieu of foreclosure is given to the mortgagee or beneficiary, or if any ground lease or underlying lease to which this Lease is subordinate is terminated, then this Lease will not be barred, terminated, cut off, or foreclosed and the rights and possession of City under this Lease will not be disturbed unless an Event of Default has occurred and is continuing. City will attorn to and become the

tenant of the successor-in-interest to Landlord, provided that City has received proper written notice of the succession and the name and address of the successor landlord. The provisions of this Section are self-operative and no further instrument will be required. Landlord agrees, however, upon request by City and in a form reasonably acceptable to City and Encumbrancer to cause any Encumbrancer to execute an SNDA evidencing the foregoing non-disturbance provisions together with the subordination or superiority of this Lease.

12. DAMAGE AND DESTRUCTION

(a) If the Premises, the Building, or any Building Systems are damaged by fire or other casualty, Landlord will repair the same without delay (and if Landlord is then carrying insurance on the Leasehold Improvements or if, at its sole option, City makes sufficient funds available to Landlord, Landlord will also repair the Leasehold Improvements) so long as the repairs can be made under applicable Laws within seventy five (75) days after Landlord obtains all necessary permits but not later than two hundred ten (210) days after the date of the damage (the "**Repair Period**"). If Landlord is obligated to repair as provided above, then this Lease will remain in full force and effect, except that City will be entitled to an abatement of Rent until the Premises are restored to their condition before the casualty. The abatement in Rent will be based on the extent to which the damage, the making of the repairs, and reoccupying the repaired Premises interferes with City's use of the Premises. Landlord's repairs will not include, and the Rent will not be abated as a result of, any damage by fire or other cause to City's Personal Property or any damage caused by the negligence or willful misconduct of City or its Agents. Notwithstanding the foregoing, Landlord shall have the right to elect not to repair in the event that the damage is caused by a risk not covered by Landlord's insurance, the proceeds of available insurance are less than eighty percent (80%) of the cost of restorations or the restoration cannot be completed within seventy five (75) days as the commencement of work in the opinion of Landlord's architect. If Landlord so elects, Landlord shall give notice to City within thirty (30) days after such damage terminating this Lease as of a date to be specified in such notice, which date shall be not less than thirty (30) nor more than sixty (60) days after giving such notice. In the event of the giving of such notice, this Lease shall expire and all interest of City in the Premises shall terminate on such date so specified in such notice and the rent, reduced by any proportionate reduction based upon the extent, if any, to which said damage interfered with the use and occupancy of City, shall be paid to the date of such termination.

(b) Within twenty (20) days after the date of the damage, Landlord will notify City whether, in Landlord's reasonable judgment made in good faith, the repairs can be made within the Repair Period. If the repairs cannot be made within the Repair Period, then either party may terminate this Lease by giving written notice to the other given within thirty (30) days after the date of Landlord's notice. The termination date will be the date specified in the termination notice, which date may be not less than thirty (30) or more than sixty (60) days after Landlord's notice. If either party elects to terminate this Lease, then the Rent will be reduced by a proportionate amount based on the extent to which the damage interferes with the normal conduct of City's business in the Premises, and City will pay the reduced Rent up to the date of termination. Landlord will refund to City any Rent previously paid for any period after the date of termination.

(c) Notwithstanding the foregoing, if the Premises are damaged or destroyed by flood or earthquake, and the damage or destruction is not fully covered by insurance proceeds payable under the insurance policies Landlord is required to carry under this Lease (excluding any deductible, for which Landlord is solely responsible), then Landlord may terminate this Lease by written notice to City within thirty (30) days after the date Landlord receives written notice that the damage is not covered by insurance. Landlord's termination notice must include adequate written evidence of the denial of insurance coverage. If Landlord does not elect to terminate this Lease, then subsections (a) and (b) will apply.

(d) If during the last six (6) months of the Term there is substantial damage that Landlord would be required to repair under this Section, then within thirty (30) days after the date of the damage Landlord or City may, each at its option, terminate this Lease as of the date the damage occurred by giving written notice to the other party of its election to do so.

(e) The parties intend that the provisions of this Section fully govern their rights and obligations in the event of damage or destruction. Accordingly, Landlord and City each waives and releases any right to terminate this Lease in whole or in part under Section 1932, subdivision 2, Section 1933, subdivision 4, and Sections 1941 and 1942 of the Civil Code of California or under any similar Law now or later in effect, to the extent those rights are inconsistent with the provisions of this Section.

13. EMINENT DOMAIN

13.1 Definitions

“Taking” means a taking or damaging, including severance damage, by eminent domain, inverse condemnation, or for any public or quasi-public use under law. A Taking may occur pursuant to the recording of a final order of condemnation, or by voluntary sale or conveyance in lieu of condemnation, or in settlement of a condemnation action.

“Date of Taking” means the earlier of (a) the date on which title to the portion of the Property taken passes to and vests in the condemnor or (b) the date on which City is dispossessed.

“Award” means all compensation, sums, or anything of value paid, awarded or received for a Taking, whether under any judgment, agreement, settlement, or otherwise.

13.2 General

If during the Term or during the period between the execution of this Lease and the Commencement Date, there is any Taking of all or any part of the Premises or the Building or any interest in this Lease, the rights and obligations of the parties will be determined under this Section. City and Landlord intend that the provisions of this Section govern fully in the event of a Taking and accordingly, Landlord and City each waives 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 Law now or later in effect.

13.3 Total Taking; Automatic Termination

If there is a total Taking of the Premises, then this Lease will terminate as of the Date of Taking.

13.4 Partial Taking; Election to Terminate

(a) If there is a Taking of any portion (but less than all) of the Premises, then this Lease will terminate in its entirety if all of the following exist: (i) the partial Taking renders the remaining portion of the Premises untenable or unsuitable for continued use by City for its intended purposes or otherwise materially adversely affects City’s normal operations in the Premises or access to the Premises, (ii) the condition rendering the Premises untenable or unsuitable or that materially adversely affects City’s normal operations or limits access to the Premises either is not curable or is curable but Landlord is unwilling or unable to cure the condition, and (iii) City elects to terminate.

(b) If a partial Taking of a substantial portion of the Building occurs, a but subsection (a) above does not apply, then within thirty (30) days after the Date of Taking either City or Landlord may terminate this Lease by written notice to the other, provided that, as a condition to City's right to terminate, the portion of the Building taken must, in City's reasonable judgment, render the Premises unsuitable for continued use by City for its intended purposes or otherwise materially adversely affect City's normal operations in the Premises or access to the Premises.

(c) If either party elects to terminate this Lease under this Section, then this Lease will terminate on the later of the thirtieth (30th) day after the written notice is given or the Date of Taking.

13.5 Termination of Lease; Rent and Award

On termination of this Lease in its entirety under Section 13.3 (Total Taking; Automatic Termination) or under Section 13.4 (Partial Taking; Continuation of Lease), then: (a) City's obligation to pay Rent will continue up until the date of termination and then will cease, and (b) Landlord will be entitled to the entire Award, except that City will receive any portion of the Award for the unamortized cost of any Leasehold Improvements paid for by City and any Award made specifically for City's relocation expenses or the interruption of or damage to City's business or damage to City's Personal Property.

13.6 Partial Taking; Continuation of Lease

If there is a partial Taking of the Premises and this Lease is not terminated in its entirety under Section 13.4 (Partial Taking; Continuation of Lease) above, then this Lease will terminate as to the portion of the Premises taken, but will remain in effect as to the portion not taken, and the rights and obligations of the parties will be as follows: (a) Rent will be equitably reduced depending on the configuration of the Premises and the portion taken (for instance, if the area of the Premises taken has no special or significant use, then the reduction may be by an amount that is in the same ratio to the Rent as the area of the Premises taken bears to the area of the Premises before the Date of Taking), and (b) Landlord will be entitled to the entire Award in connection therewith, provided that City will receive any portion of the Award for the unamortized cost of any Leasehold Improvements paid for by City in the portion of the Premises taken and any Award made specifically for City's relocation expenses or the interruption of or damage to City's business or damage to City's Personal Property.

13.7 Temporary Taking

Notwithstanding anything to contrary in this Section, if a Taking of the Premises occurs for sixty (60) consecutive days or fewer, this Lease will remain unaffected by the temporary Taking, and City will continue to pay Rent and to perform all of the terms, conditions, and covenants of this Lease. In the event of a temporary Taking, City will be entitled to receive that portion of any Award representing compensation for the use or occupancy of the Premises during the Term up to the total Rent owing by City and any out-of-pocket costs incurred by City due to the temporary Taking for the period of the Taking.

14. ASSIGNMENT AND SUBLETTING

Except as provided in this Section, City may not directly or indirectly sell, assign, encumber, pledge, or otherwise transfer or hypothecate all or any part of its interest in or rights with respect to the Premises or its leasehold estate created by this Lease or permit all or any portion of the Premises to be occupied by anyone other than itself or sublet all or any portion of the Premises, without Landlord's prior written consent in each instance, which will not be unreasonably withheld, conditioned, or delayed. From time to time, on notice to Landlord, but

without Landlord's consent, City may transfer this Lease or use and occupancy of all or any of the Premises to any department, commission, or agency of the City and County of San Francisco for uses permitted under this Lease. " Any subletting or assignment hereunder by City shall not result in City being released or discharged from any liability under this Lease. As a condition to Landlord's prior written consent as provided for in this paragraph, the subtenant or assignee, as the case may be, shall agree in writing to comply with and be bound by all of the terms, covenants, conditions, provisions and agreements of this Lease, and City shall deliver to Landlord, promptly after execution, an executed copy of each sublease or assignment, as the case may be, and an agreement of said compliance by each sublessee or assignee. Landlord's consent to one sale, assignment, encumbrance, subletting, lien or other transfer shall not be deemed to be a consent to any subsequent occurrence and any such transaction which does not comply with the provisions of this paragraph shall be void.

City shall pay all reasonable and actual costs of any subletting or assignment, including without limitation, real estate commissions and Landlord's reasonable attorney's fees expended in connection therewith (not to exceed \$2,500). Any net profit from any subletting or assignment shall be paid one half to Landlord and one half to City by any assignee or subtenant after payment of expenses, including any cost of improvements to the Premises, brokerage commissions, free rent and other concessions, and permit fees. Such net profit shall include, without limitation, an increase in rental over that paid by City under this Lease and any other consideration (or its cash equivalent) for execution of the assignment or sublease; provided, however, that net profit shall not include any profit from the sale of personal property. As a condition to any subletting or assignment, all assignees and subtenants shall verify in writing to Landlord all consideration paid or given or to be paid or given for such sublease or assignment.

15. DEFAULT; REMEDIES

15.1 Events of Default by City

Any of the following will constitute an "Event of Default" by City:

(a) After Landlord is qualified as an approved vendor, as provided in Section 0 (Payments by City) above, City fails to make any timely payment of Rent and to cure the nonpayment within five (5) business days after receipt of written notice of nonpayment from Landlord, provided that for the first two (2) monthly payments of Rent at the beginning of the Term and for the first monthly payment of Rent after the beginning of each new fiscal year for City or any Adjustment Date, City will have twenty (20) days after written notice from Landlord to cure any nonpayment.

(b) City's abandons the Premises (within the meaning and under the requirements of California Civil Code Section 1951.3).

(c) City's failure to perform any other of its covenants or obligations under this Lease (not involving the payment of money) and failure to cure the non-performance within thirty (30) days of the date of receipt of Landlord's notice of the failure, provided that if more than thirty (30) days are reasonably required for the cure, no Event of Default will occur if City commences the cure within the thirty (30)-day period and diligently prosecutes the cure to completion.

15.2 Landlord's Remedies

On the occurrence and during the continuance of any Event of Default by City, Landlord will have all rights and remedies available under law or granted pursuant to this Lease, including the following:

The rights and remedies provided by California Civil Code Section 1951.2 (damages on termination for breach), including the right to terminate City's right to possession of the Premises and to recover the worth at the time of award of the amount by which the unpaid Rent for the balance of the Term after the time of award exceeds the amount of rental loss for the same period that City proves could be reasonably avoided, as computed under subsection (b) of Section 1951.2.

The rights and remedies provided by California Civil Code Section 1951.4 (continuation of lease after breach and abandonment), which allows Landlord to continue this Lease in effect and to enforce all of its rights and remedies under this Lease, including the right to recover Rent as it becomes due, for so long as Landlord does not terminate City's right to possession, if City has the right to sublet or assign, subject only to reasonable limitations. Acts of maintenance or preservation or efforts to relet the Premises shall not constitute a termination of City's right to possession

[intentionally omitted]

15.3 Landlord's Default

If Landlord fails to perform any of its obligations under this Lease, then (without limiting any of City's other cure rights under this Lease), at its sole option, City may cure the default at Landlord's expense if the default continues after ten (10) days after the date City gives notice to Landlord of City's intention to perform the cure. However, if Landlord cannot with due diligence cure the default within the ten (10)-day period, then the ten (10)-day period will be extended if, promptly on receipt of City's notice, Landlord advises City of Landlord's intention to take all steps required to cure the default, and Landlord promptly commences the cure and diligently prosecutes the cure to completion. But if any default by Landlord continues for sixty (60) days and materially impairs City's ability to carry on its normal business in the Premises, then City may terminate this Lease on written notice to Landlord within thirty (30) days after the expiration of the sixty (60)-day period. Subject to the other provisions of this Lease relating to abatement of Rent, if Landlord fails to cure any default within the ten (10)-day cure period provided above (as it may be extended as provided above) and the default materially interferes with City's use of the Premises, then, whether or not City elects to cure Landlord's default, the Rent will be abated based on the extent to which the default interferes with City's ability to carry on its normal business at the Premises. City's rights under this Section and under any other provisions of this Lease will not limit in any way any of its other rights and remedies under this Lease or at law or in equity.

16. INDEMNITIES

16.1 City's Indemnity

City will indemnify, defend, and hold harmless ("**Indemnify**") Landlord and its Agents from and against any and all claims, losses, damages, costs, and expenses, including reasonable attorneys' fees (collectively, "**Claims**"), incurred as a result of (a) City's use or occupancy of the Premises, or (b) any negligent acts or omissions of City or its Agents or Invitees in, on, or about the Premises or the Property; provided, however, City will not be obligated to Indemnify Landlord or its Agents to the extent any Claim arises out of the negligence or willful misconduct of Landlord or its Agents. In any action or proceeding brought against Landlord or its Agents because of a Claim Indemnified by City under this Section, at its sole option, City may elect to defend the Claim by attorneys in City's Office of the City Attorney, by other attorneys selected by City, or both. City will have the right to control the defense and to determine the settlement or compromise of any action or proceeding, provided that Landlord will have the right, but not the obligation, to participate in the defense of the Claim at its sole cost and provided further that no such settlement shall obligate Landlord in any manner without the prior written approval of

Landlord. City hereby assumes all risks and waives all claims against Landlord for any damage to property or any injury to or death of any person in or about the Premises or the Building arising from any cause whatsoever except to the extent caused by the negligence or willful misconduct of Landlord or its Agents. City's obligations under this Section will survive the termination of the Lease.

16.2 Landlord's Indemnity

Landlord will Indemnify City and its Agents against any and all Claims incurred as a result of (a) any default by Landlord in the performance of any of its obligations under this Lease or any breach of any representations or warranties made by Landlord under this Lease (including, without limitation, Landlord's covenants and representations and warranties in Section 10.1), or (b) any negligent acts or omissions of Landlord or its Agents in, on, or about the Premises or the Property; provided, however, Landlord will not be obligated to Indemnify City or its Agents to the extent any Claim arises out of the negligence or willful misconduct of City or its Agents. In any action or proceeding brought against City or its Agents because of a Claim Indemnified by Landlord under this Section, at its sole option, Landlord may elect to defend the Claim by attorneys selected by Landlord. Landlord will have the right to control the defense and to determine the settlement or compromise of any action or proceeding, provided that City will have the right, but not the obligation, to participate in the defense of any Claim at its sole cost. Landlord's obligations under this Section will survive the termination of this Lease.

17. INSURANCE

17.1 City's Self-Insurance

Landlord acknowledges that City maintains a program of self-insurance and City is not be required to carry any insurance with respect to this Lease. City assumes the risk of damage to any of City's Personal Property, except for damage caused by the negligence or willful misconduct Landlord or its Agents. City acknowledges that Landlord may require any assignee or sublessee of the Lease to maintain such insurance coverage as Landlord customarily requires for tenants in the Building.

17.2 Landlord's Insurance

(a) At all times during the Term, Landlord will keep the Building insured against damage and destruction by fire, vandalism, malicious mischief, sprinkler damage (excluding earthquake sprinkler leakage) and other perils customarily covered under a cause of loss-special form property insurance policy in an amount equal to one hundred percent (100%) of the full insurance replacement value (replacement cost new, including debris removal and demolition). Notwithstanding the foregoing, Landlord shall not be obligated to carry earthquake insurance. Upon City's request, Landlord will provide to City a certificate of insurance issued by the insurance carrier, evidencing the required insurance. The certificate must expressly provide that the policy is not cancelable or subject to reduction of coverage or otherwise subject to modification except after thirty (30) days' prior written notice to City (or, if the insurer refuses to provide notice to the City, then Landlord will provide such thirty (30)-day prior notice to City). Landlord waives any rights against City for loss or damage to the Premises or any other part of the Property.

(b) In addition, Landlord will procure and keep in effect at all times during the Term insurance as follows: (i) commercial general 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 contractual liability, independent contractors, broad-form property damage, fire damage legal liability (of not less than Fifty Thousand Dollars (\$50,000)), personal injury, products and completed operations, and explosion, collapse, and underground (XCU);

and (ii) worker's compensation insurance in the amounts required by applicable Laws and employer's liability with limits not less than One Million Dollars (\$1,000,000) each accident. All insurance policies required by this Lease to be maintained by Landlord must be endorsed to provide for thirty (30) days' prior written notice of cancellation for any reason, intended non-renewal, or reduction in coverage to Landlord and City (or, if such endorsement is not available from the insurer, Landlord will provide such notice to City).

(c) Landlord will maintain loss of rent coverage for a twelve (12) month period.

(d) Landlord will maintain such umbrella policy and additional coverage as it reasonably determines necessary or as required by any Encumbrancer. The parties agree that the minimums set forth in this Section will be re-evaluated every five (5) years, and increased to the extent consisted with similarly situated landlords and properties.

17.3 Waiver of Subrogation

Notwithstanding anything to the contrary in this Lease, each party waives any right of recovery against the other party for any loss or damage relating to the Building or the Premises or any operations or contents in the Building, whether or not the loss is caused by the other party's fault or negligence, to the extent the loss or damage is covered, (i) with respect to Landlord, by Landlord insurance that is required under this Lease or any excess coverage otherwise held by Landlord or its Agents; and (ii) with respect to City, by matters which are self-insured and which customarily would be covered by insurance held by tenants in the Building. Landlord and any non-City successor to City will use its reasonable best efforts to obtain a waiver of subrogation endorsement from applicable insurance carriers issuing policies relating to the Building or the Premises, but Landlord's failure to do so will not affect the above waiver.

18. ACCESS BY LANDLORD

Landlord reserves for itself and any of its designated Agents the right to enter the Premises at all reasonable times and, except in cases of emergency (in which event Landlord will give any reasonable notice), after giving City at least twenty four (24) hours' advance written notice, to (a) inspect the Premises, (b) supply any service to be provided by Landlord under this Lease, (c) show the Premises to any prospective purchasers, mortgagees or, during the last six (6) months of the Term, tenants, (d) post notices of non-responsibility, and (e) alter, improve, or repair the Premises and any portion of the Building, and, for that purpose, Landlord may erect, use, and maintain necessary structures in and through the Premises where reasonably required by the work to be performed, provided that the entrance to the Premises may not be blocked and Landlord shall use its best efforts not to interfere with City's use of the Premises. Landlord and its agents shall be, at all times, during access within the Premises, accompanied by staff of Child Support Services; provided, however, that Landlord shall have right to access the Premises in an emergency without such accompaniment if Landlord has used commercially reasonable efforts to contact City for the purpose of having such accompaniment and City has failed to respond. Landlord shall at all times have a key (or key fob) to unlock all of the doors in and about the Premises which shall only be used during emergencies unless accompanied by a staff member of Child Support Services.

19. ESTOPPEL CERTIFICATES

From time to time during the Term, by not less than thirty (30) days' prior written notice to the other party, either party may request the other party to execute, acknowledge, and deliver to the persons or entities designated by the other party 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, this the Lease is in full force and effect

as modified and stating the modifications), (c) that there are no defaults under this Lease (or if so, specifying the same), and (d) the date to which Rent has been paid.

20. SURRENDER OF PREMISES

On the expiration or sooner termination of this Lease, City will surrender the Premises to Landlord in good order and condition, excepting reasonable use and wear and damage by fire or other casualty or condemnation. Within two (2) days after the Expiration Date, City will remove from the Premises all of City's Personal Property, City's telecommunications, data, and computer facilities and any Alterations City desires or is required to remove from the Premises under the provisions of Section 7.1 (Alterations by City). City will repair or pay the cost of repairing any damage to the Premises or the Building resulting from that removal. City will not be required to demolish or remove from the Premises any of the Leasehold Improvements. City's obligations under this Section will survive the expiration or earlier termination of this Lease.

21. HAZARDOUS MATERIALS

21.1 Definitions

As used in this Lease, the following terms are defined below:

"Environmental Laws" means any Law relating to industrial hygiene, environmental conditions, or Hazardous Material, whether now in effect or later adopted.

"Hazardous Material" means any material that, because of its quantity, concentration, or physical or chemical characteristics, is deemed by any federal, state, or local governmental authority to pose a present or potential hazard to human health or safety or to the environment. Hazardous Material includes any material or substance defined as a "hazardous substance," or "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 California Health & Safety Code Section 25316; any "hazardous waste" listed under California Health & Safety Code Section 25140; any asbestos and asbestos containing materials whether or not those materials are part of the structure of the Building or are naturally occurring substances on or about the Property; and petroleum, including crude oil or any fraction thereof, natural gas, or natural gas liquids.

"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 Building, or in, on, under, or about the Property.

21.2 Landlord's Representations and Covenants

Landlord represents and warrants to City that, to the best of Landlord's knowledge, the following statements are true and correct and will be true and correct as of the Commencement Date: (a) the Property is not in violation of any Environmental Laws; (b) the Property is not now, and has not been, used for the manufacture, use, storage, discharge, deposit, transportation, or disposal of any Hazardous Material, except for the use of Hazardous Material in the diesel storage tank on the roof of the Building and in limited quantities as are customarily used in offices, which limited use is and has been in compliance with Environmental Laws; (c) the Property does not consist of any landfill or contain any underground storage tanks; (d) the Building does not contain any asbestos-containing materials or have building materials that contain any other Hazardous Material, and the Premises or the common areas of the Building do

not contain any lead-based paints; (e) there is and has been no Release of any Hazardous Material in the Building or in, on, under, or about the Property; and (f) the Property is not subject to any claim by any governmental regulatory agency or third party related to the Release of any Hazardous Material, and there is no inquiry by any governmental agency (including the California Department of Toxic Substances Control or the Regional Water Quality Control Board) with respect to the presence of Hazardous Material in the Building or in, on, under, or about the Property, or the migration of Hazardous Material from or to other real property. Subject to City's obligations under this Section below, Landlord will maintain the Property throughout the Term in compliance with all Environmental Laws that could affect the health, safety, and welfare of City's employees or City's use, occupancy, or enjoyment of the Premises for their intended purposes.

21.3 Landlord's Environmental Indemnity

Without limiting Landlord's Indemnity in Section 16.2 (Landlord's Indemnity), Landlord will Indemnify City and its Agents against any and all Claims arising during or after the Term (a) as a result of any breach of any of Landlord's representations, warranties, or covenants in the preceding Section, or (b) in connection with any presence or Release of Hazardous Material in the Building or on, under, or about the Property caused by Landlord or its Agents.

21.4 City's Covenants

Neither City nor its Agents will cause any Hazardous Material to be brought on, kept, used, stored, generated, or disposed of in, on or about the Premises or the Property, or transported to or from the Premises or the Property, in violation of any Environmental Laws.

21.5 City's Environmental Indemnity

If City breaches its obligations contained in the preceding Section 21.4 (City's Covenants), or if City or its Agents cause the Release of Hazardous Material from, in, on, or about the Premises or the Property, then City will Indemnify Landlord against any and all Claims arising during or after the Term as a result of the Release, except to the extent Landlord or its Agents is responsible for the Release. The foregoing Indemnity will not include any Claims resulting from the non-negligent aggravation by City, its Agents, or Invitees of physical conditions of the Premises, or other parts of the Property, existing before City's occupancy.

22. SPECIAL PROVISIONS – INTENTIONALLY OMITTED

23. CITY PROVISIONS

23.1 MacBride Principles - Northern Ireland

The provisions of San Francisco Administrative Code Section 12F are incorporated into this Lease by this reference and made part of this Lease. Landlord confirms that Landlord 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.

23.2 Controller's Certification of Funds

The terms of this Lease are governed by and subject to the budgetary and fiscal provisions of City's Charter. Notwithstanding anything to the contrary contained in this Lease, there will be no obligation for the payment or expenditure of money by City under this Lease unless the Controller of the City and County of San Francisco first certifies, under Section 3.105 of City's Charter, that there is a valid appropriation from which the expenditure may be made

and that unencumbered funds are available from the appropriation to pay the expenditure; provided, however, Landlord shall have the right to terminate City's tenancy in accordance with Section 15 if City fails to timely pay rent. Without limiting the foregoing, if in any fiscal year of City after the fiscal year in which the Term of this Lease commences, sufficient funds for the payment of Rent are not appropriated, then City may terminate this Lease, without penalty, liability, or expense of any kind to City, as of the last date on which sufficient funds are appropriated. City will use its best efforts to give Landlord reasonable advance notice of the termination. City shall use its best efforts to obtain sufficient funds for the payment of Rent and any other payments due under the Lease.

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 Administrative Code section 23.61. Landlord will require its Contractors and Subcontractors performing (i) labor in the construction of a "public work" as defined in California Labor Code Section 1720 et seq. (which includes certain construction, alteration, maintenance, demolition, installation, repair, carpet laying, or refuse hauling if paid for in whole or part out of public funds), or (ii) Covered Construction at the Premises to (A) pay workers performing the 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**"). Landlord will cooperate with City in any action or proceeding against a Contractor or Subcontractor that fails to comply with the Prevailing Wage Requirements.

Landlord will include, and require its Contractors and Subcontractors (regardless of tier) to include, the Prevailing Wage Requirements and the agreement to cooperate in City enforcement actions in any Construction Contract with specific reference to San Francisco Administrative Code Section 23.61. Each Construction Contract must name the City and County of San Francisco, affected workers, and employee organizations formally representing affected workers as third party beneficiaries for the limited purpose of enforcing the Prevailing Wage Requirements, including the right to file charges and seek penalties against any Contractor or Subcontractor in accordance with San Francisco Administrative Code Section 23.61. Landlord's failure to comply with its obligations under this Section 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.

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 Administrative Code Sections 12B.2(a), 12B.2(c)-(k), and 12C.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 Administrative Code Section 12B.2(b).

(d) CMD Form

As a condition to this Lease, Landlord 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 (the "CMD"). Landlord represents that before execution of the Lease: (i) Landlord 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 San Francisco Administrative Code Chapters 12B and 12C 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 Administrative Code Chapters 12B and 12C, including the remedies provided in those Chapters. Without limiting the foregoing, Landlord understands that under San Francisco Administrative Code Section 12B.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.

23.5 Tropical Hardwood and Virgin Redwood Ban

(a) Except as expressly permitted by 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 that are tropical hardwood, tropical hardwood wood products, virgin redwood, or virgin redwood wood products.

(b) 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 products.

(c) If Landlord fails to comply in good faith with any of the provisions of San Francisco Environment Code Chapter 8, Landlord will be liable for liquidated damages for

each violation in an amount equal to Landlord's net profit on the contract, or five percent (5%) of the total amount of the contract dollars, whichever is greatest. Landlord acknowledges and agrees that the liquidated damages assessed will be payable to the City and County of San Francisco on demand and may be set off against any monies due to Landlord from any contract with City.

23.6 Bicycle Parking Facilities

San Francisco Planning Code (the "**Planning Code**") Article 1.5, Section 155.3 requires that bicycle parking must be provided at City-leased buildings at no cost to Landlord. During the Term, City will have the right to install and maintain, at no cost to Landlord, all Class 1 Bicycle Parking Spaces (as defined in the Planning Code) and all Class 2 Bicycle Parking Spaces (as defined in the Planning Code) in the Building locations designated by Landlord and required under the Planning Code.

23.7 Resource-Efficient City Buildings

Landlord acknowledges that the City and County of San Francisco has enacted San Francisco Environment Code Section 704(c)(3)(A) relating to the provision of adequate, accessible, and convenient areas for the collection, storage, and loading of 100% of recyclable, compostable, and refuse materials. Landlord will comply with all applicable provisions of that code section while this Lease is in effect. The parties acknowledge that any construction activity performed by City will constitute a "Municipal Construction Project" as that term is defined in Section 701 of the San Francisco Environmental Code.

23.8 Sunshine Ordinance

In accordance with San Francisco Administrative Code Section 67.24(e), 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.

23.9 Conflicts of Interest

Through its execution of this Lease, Landlord acknowledges that it is familiar with the provisions of City's Campaign and Governmental Conduct Code Article III, Chapter 2 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. If Landlord becomes aware of any such fact during the Term of this Lease, Landlord will immediately notify City.

23.10 Notification of Prohibition on Contributions

By executing this Lease, Landlord acknowledges its obligations under Section 1.126 of the City's Campaign and Governmental Conduct Code, which prohibits any person who leases, or seeks to lease, to or from any department of the City any land or building from making any campaign contribution to (a) a City elected official if the lease must be approved by that official, (b) a candidate for that City elective office, or (c) a committee controlled by that elected official or a candidate for that office, at any time from the submission of a proposal for the lease until the later of either the termination of negotiations for the lease or twelve (12) months after the date the City approves the lease. Landlord acknowledges that the foregoing restriction applies only if

the lease or a combination or series of leases or other contracts approved by the same individual or board in a fiscal year have a total anticipated or actual value of one hundred thousand dollars (\$100,000) or more. Landlord further acknowledges that (i) the prohibition on contributions applies to each prospective party to the lease; any person with an ownership interest of more than ten 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.

23.11 Preservative-Treated Wood Containing Arsenic

Landlord 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 under Environment Code Section 1304. The term "preservative-treated wood containing arsenic" means wood treated with a preservative that contains arsenic, elemental arsenic, or an arsenic copper combination, including chromated copper arsenate preservative, ammoniac copper zinc arsenate preservative, or ammoniacal copper arsenate preservative. Landlord may purchase preservative-treated wood products on the list of environmentally preferable alternatives prepared and adopted by the Department of Environment. This provision does not preclude Landlord from purchasing preservative-treated wood containing arsenic for saltwater immersion. The term "saltwater immersion" means a pressure-treated wood that is used for construction purposes or facilities that are partially or totally immersed in saltwater.

24. GENERALLY APPLICABLE PROVISIONS

24.1 Notices

Except as otherwise specifically provided in this Lease, any notice given under this Lease must be in writing and given by delivering the notice in person or by commercial courier, or by sending it by first-class mail, certified mail, return receipt requested, or Express Mail, return receipt requested, with postage prepaid, to: (a) City at City's address set forth in the Basic Lease Information; or (b) Landlord at Landlord's address set forth in the Basic Lease Information; or (c) any other address designated by as either Landlord or City as its new address for notices by notice given to the other in accordance with this Section. A properly addressed notice transmitted by one of the foregoing methods will be deemed received upon confirmed delivery, attempted delivery, or rejected delivery. For convenience of the parties, copies of notices may also be given by email to the email address number set forth in the Basic Lease Information or any other email address as may be provided from time to time, but, neither party may give official or binding notice by email.

24.2 No Implied Waiver

No failure by either party to insist on the strict performance of any obligation of the other party under this Lease or to exercise any right, power, or remedy after a breach of this Lease will constitute a waiver of any breach or of term, covenant, or condition. No acceptance of full or partial Rent by Landlord while City is in default will constitute a waiver of the default by Landlord. No express written waiver of any default or the performance of any provision if this Lease will affect any other default or performance, or cover any other period of time, other than the default, performance, or 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. The consent of Landlord or City given in one instance

under the terms of this Lease will not relieve the other party of any obligation to secure the consent to any other or future instance under the terms of the Lease.

24.3 Amendments

The terms and provisions of this Lease may only be changed, waived, discharged, or terminated by a written instrument signed by both parties. No waiver of any breach will affect or alter this Lease, and each and every term, covenant, and condition of this Lease will continue in full force and effect with respect to any other then-existing or subsequent breach. 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 below and by applicable Law, including the Charter of the City and County of San Francisco. City's agreement to any amendments or modifications to this Lease (including the exhibits) may be made on the sole approval of the Director of Property, or his or her designee; provided, however, material amendments or modifications to this Lease **(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 5.1 (Permitted Use), and **(e)** any other amendment or modification that materially increases City's liabilities or financial obligations under this Lease will also require the approval of City's Board of Supervisors.

24.4 Authority

Landlord represents and warrants to City that it is the sole owner of the Property and the execution and delivery of this Lease by Landlord does not violate any provision of any agreement or any applicable Laws. If Landlord is a corporation, limited liability company, or a partnership, Landlord covenants and warrants that Landlord is a duly authorized and existing entity, that Landlord is qualified to do business in California, that Landlord has the full right and authority to enter into this Lease, and that each person signing on behalf of Landlord is authorized to do so. On City's request, Landlord will provide City with evidence reasonably satisfactory to City confirming these representations and warranties.

24.5 Parties and Their Agents; Approvals

If applicable, the word "**Landlord**" will include the plural as well as the singular. The term "**Agents**" when used with respect to either party includes the agents, managers, members, employees, officers, and contractors of the party, and the term "**Invitees**" when used with respect to City will include the clients, customers, invitees, guests, licensees, assignees, or subtenants of City. All approvals, consents, or other determinations permitted or required by City under this Lease, including City's exercise of any option, must be made by or through City's Director of Property unless otherwise provided in this Lease, subject to any applicable limitations in City's Charter. If there is more than one entity that comprises Landlord, the obligations and liabilities under this Lease imposed on Landlord are joint and several.

24.6 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 will in no way define or limit the scope or intent of any provision of this Lease. Except as otherwise specifically provided in this Lease, wherever Landlord or City is required or requested to give its consent or approval to any matter or action by the other, the consent or approval will not be unreasonably withheld or delayed and the reasons for disapproval of consent will be stated in reasonable detail in writing. Provisions in this Lease relating to number of days will be calendar days, unless otherwise specified. If the last day of any period to give notice, reply to a notice, or to take any other action occurs on a Saturday, Sunday, or a bank or City holiday, then the last day for taking the action or giving or replying to the notice will be the next succeeding business day. The words "**include**" or

“including” or similar words will not be construed to limit any general term, statement, or other matter in this Lease or any of its attached exhibits, whether or not language of non-limitation, such as “without limitation” or similar words, are used.

24.7 Successors and Assigns

Subject to the provisions of Section 14 (Assignment and Subletting), the terms, covenants, and conditions contained in this Lease will bind and inure to the benefit of Landlord and City and, except as otherwise provided in this Lease, their personal representatives and successors and assigns. There are no third-party beneficiaries to this Lease.

24.8 Brokers

Neither party has had any contact or dealings or communications regarding leasing the Premises 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 of the Premises, except for the broker, if any, identified in the Basic Lease Information. That broker's commission is Landlord's sole responsibility under a separate written agreement between Landlord and the broker, and City has no liability for that commission. If any other broker or finder perfects a claim for a commission or finder's fee based on any contact, dealings, or communication, the party through whom the broker or finder makes his 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. The provisions of this Section will survive any termination of this Lease.

24.9 Severability

If any provision of this Lease or its application to any person, entity, or circumstance is found to be invalid or unenforceable, 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 by that finding, and each other provision of this Lease will be valid and be enforceable to the full extent permitted by Law, 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.

24.10 Governing Law

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

24.11 Entire Agreement; Incorporation of Exhibits

The parties intend that this Lease (including all of the attached exhibits, which are made a part of this Lease by this reference) are the final expression of their agreement with respect to the lease of the Premises and may not be contradicted by evidence of any prior or contemporaneous written or oral agreements or understandings. The parties further intend that this Lease will constitute the complete and exclusive statement of its terms and that no extrinsic evidence whatsoever (including prior drafts and changes) may be introduced in any judicial, administrative, or other legal proceeding involving this Lease.

24.12 Holding Over

If City holds over in possession of the Premises after the expiration of the Term with Landlord's consent, that holding over will not be deemed to extend the Term or renew this Lease, and City's tenancy will continue as a month-to-month tenancy until the tenancy is terminated by either party by giving at least thirty (30) days' prior written notice of termination. The month-to-month tenancy will be on all the terms and conditions of this Lease and at the monthly Base Rent in effect during the last month of the Term or as Landlord and City may mutually agree in writing. If City holds over without Landlord's consent, the rent payable by City during the period of holding over will be one hundred ten percent (110%) of the monthly Base Rent in effect during the last month of the Term of this Lease, and the tenancy will otherwise be on the terms and conditions contained in this Lease.

24.13 Cumulative Remedies

All rights and remedies of either party set forth in this Lease are cumulative, except as otherwise specifically provided in this Lease.

24.14 Time of Essence

Time is of the essence for all provisions of this Lease.

24.15 Survival of Indemnities

Termination of this Lease will not affect the right of either party to enforce any indemnities and representations and warranties given or made to the other party, and it will not affect any provision of this Lease that expressly states it will survive termination. With respect to each of the indemnities contained in this Lease, the indemnitor has an immediate obligation to defend the indemnitees from any claim that actually or potentially falls within the indemnity provision even if the claim is or may be groundless, fraudulent, or false, and the obligation to defend arises at the time the claim is tendered to the indemnitor by the indemnitee.

24.16 Signs

City may erect or post exterior signs on or about the Premises with Landlord's prior approval. Landlord reserves the right to review and approve the placement, design, and plan for before erecting or posting any sign, which review and approval will not be unreasonably withheld or delayed. Interior signs not visible from the exterior of the Premises are permitted as provided under Article 7 (Alterations).

24.17 Quiet Enjoyment and Title

Landlord covenants and represents that it has full right, power, and authority to grant the leasehold estate as provided in this Lease, and covenants that City, on paying the Rent and performing the covenants contained in this Lease, will peaceably and quietly have, hold, and enjoy the Premises and all related rights during the Term as against all persons or entities claiming by or through Landlord or on account of any action, inaction, or agreement of Landlord or its Agents. Without limiting the provisions of Section 16.2 (Landlord's Indemnity), Landlord will Indemnify City and its Agents against Claims arising out of any assertion that would interfere with City's right to quiet enjoyment as provided in this Section.

24.18 Bankruptcy

Landlord represents and warrants to City that Landlord has neither filed nor been the subject of any filing of a petition under the federal bankruptcy law or any federal or state

insolvency laws or laws for composition of indebtedness or for the reorganization of debtors, and, to the best of Landlord's knowledge, no such filing is threatened. City's leasehold estate under this Lease includes all rights to receive and enjoy all services, facilities, and amenities of the Premises and the Building as provided in this Lease. If any of the services, facilities, or amenities are terminated, or materially limited or restricted because of any such case or proceeding, or for any other reason, City may (a) contract directly with any third-party provider of those services, facilities, or amenities, and (b) offset against the Rent all reasonable costs and expenses incurred by City in obtaining those services, facilities, or amenities.

24.19 Transfer of Landlord's Interest

Landlord may transfer its interest in the Property, the Building, or this Lease to any other financially responsible person or entity. If Landlord transfers its interest in the Property, the Building, or this Lease, then Landlord will be relieved of Landlord's obligations under this Lease accruing from and after the date of the transfer when (a) Landlord has provided notice to City of the name and address of Landlord's successor, and (b) Landlord has delivered to City an express written assumption by the transferee of all of Landlord's obligations under this Lease.

24.20 Non-Liability of City Officials, Employees, and Agents

Notwithstanding anything to the contrary in this Lease, no elected or appointed board, commission, member, officer, employee, or other Agent of City will be personally liable to Landlord, its successors, or its assigns for any City default or breach or for any amount that may become due to Landlord or its successors or assigns, or for any obligation of City under this Lease.

24.21 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.

24.22 Effective Date

This Lease will become effective on the date (the "Effective Date") that (a) City's Mayor and Board of Supervisors, at their sole and absolute discretion, adopt a resolution approving this Lease in accordance with all applicable laws and (b) this Lease is duly executed by Landlord and City.

24.23 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 Landlord. 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.

NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS LEASE, LANDLORD ACKNOWLEDGES THAT NO OFFICER OR EMPLOYEE OF CITY HAS AUTHORITY TO COMMIT CITY TO THIS LEASE UNLESS CITY'S BOARD OF SUPERVISORS HAS DULY ADOPTED A RESOLUTION APPROVING THIS LEASE AND AUTHORIZING CONSUMMATION OF THE TRANSACTION CONTEMPLATED BY THIS LEASE. THEREFORE, ANY OBLIGATIONS OR LIABILITIES OF CITY UNDER THIS LEASE ARE CONTINGENT ON ADOPTION OF THAT RESOLUTION, AND THIS LEASE WILL BE NULL AND VOID UNLESS CITY'S MAYOR AND BOARD OF SUPERVISORS APPROVE THIS LEASE, AT THEIR RESPECTIVE

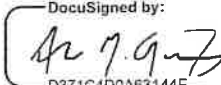
SOLE AND ABSOLUTE DISCRETION, AND IN ACCORDANCE WITH ALL APPLICABLE LAWS. APPROVAL OF THIS LEASE BY ANY DEPARTMENT, COMMISSION, OR AGENCY OF CITY WILL NOT BE DEEMED TO IMPLY THAT THE RESOLUTION WILL BE ADOPTED AND NO SUCH APPROVAL WILL CREATE ANY BINDING OBLIGATIONS ON CITY. IN THE EVENT THAT CITY DOES NOT NOTIFY LANDLORD WITHIN THIRTY (30) DAYS OF THE DATE OF THIS LEASE THAT SAID RESOLUTION HAS BEEN DULY ENACTED, LANDLORD SHALL HAVE THE RIGHT TO TERMINATE THIS LEASE BY SO NOTIFYING CITY. LANDLORD SHALL HAVE NO OBLIGATION TO COMMENCE THE LEASEHOLD IMPROVEMENT WORK UNLESS AND UNTIL SUCH RESOLUTION HAS BEEN DULY ENACTED.

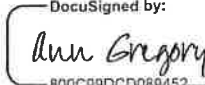
[Signature page follows]

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

LANDLORD:

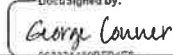
MACLEAN PROPERTIES LLC,
a Delaware limited liability company

By: 
Name: Alan Gregory
Its: Manager

By: 
Name: Ann Gregory
Its: Manager

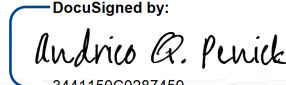
101 NEW MONTGOMERY STREET, LP,
a Delaware limited partnership

By: 101 New Montgomery Street
Associates, LLC, a Delaware limited
liability company, General Partner

By: 
Name: George Conner
Its: Manager

CITY:

CITY AND COUNTY OF SAN FRANCISCO,
a municipal corporation

By: 
ANDRICO Q. PENICK
Director of Property

Pursuant to Board of Supervisors Resolution
No. _____.

RECOMMENDED:

DEPARTMENT OF CHILD SUPPORT
SERVICES

KAREN M. ROYE
Director

APPROVED AS TO FORM:

DAVID CHIU, City Attorney

By: 
5D88F562E4274BB...
Vincent Brown
Deputy City Attorney

EXHIBIT A

Legal Description of Property/Floor Plan(s)

CONSISTING OF ____ PAGE(S)

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

(Landlord), and the CITY AND COUNTY OF
SAN FRANCISCO (Tenant), for premises known as

located at 109 Montgomery Street (aka 617 Mission
Street)

Dear Mr. Penick:

This letter confirms that for all purposes of the Lease, the Commencement Date (as defined in Section 3.2 of the Lease) is January 1, 2025.

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

BUILDING RULES AND REGULATIONS

Tenant shall observe and comply with the following Rules and Regulations. Landlord shall not be responsible to Tenant or any other person for the non-observance of the Rules and Regulations by another tenant or occupants of the Building.

Landlord reserves the right at any time to change or rescind any one or more of these Rules and Regulations, or to make further reasonable Rules and Regulations as in Landlord's judgment may from time to time be necessary for the management, safety, care and cleanliness of the Premises and Building. Tenant shall be deemed to have read these Rules and Regulations and to have agreed to abide by them as a condition of its occupancy of the Premises.

Landlord may waive any one or more of these Rules and Regulations for the benefit of any particular tenant or tenants, unless such waiver unreasonably interferes with another Tenant's access to or permitted use of the Premises. No such waiver by Landlord shall be construed as a waiver of such Rules and Regulations in favor of any other tenant or tenants, nor prevent Landlord from thereafter enforcing any such Rules or Regulations against any or all tenants of the Building.

1. Landlord reserves the right to close and keep locked all entrance and exit doors of the Building during such hours as are customary for comparable buildings in the area. Tenant, its employees and agents must be sure that the doors to the Building are securely closed and locked when leaving the Premises if it is after the normal hours of business for the Building. Any tenant, its employees, agents or any other persons entering or leaving the Building at any time when it is so locked, or any time when it is considered to be after normal business hours for the Building, may be required to sign the Building register when so doing. Access to the Building may be refused

unless the person seeking access has proper identification or has a previously arranged pass for access to the Building. The Landlord and his agents shall in no case be liable for damages for any error with regard to admission to or exclusion from the Building of any person. In case of invasion, mob, riot, public excitement, or other commotion, Landlord reserves the right to prevent access to the Building during the continuance of same by any means it deems appropriate for the safety and protection of life and property.

2. Landlord reserves the right to exclude or expel from the Building any person who, in the judgment of Landlord, is intoxicated or under the influence of liquor or drugs, or who shall in any manner do any act in violation of any of these Rules and Regulations.

3. Tenant shall comply with all safety, fire protection and evacuation procedures and regulations established by Landlord or any governmental agency.

4. Tenant shall comply with any non-smoking ordinance adopted by the City and County of San Francisco or any other applicable governmental authority.

5. Tenant shall not disturb, solicit, or canvass any occupant of the Building and shall cooperate with Landlord or Landlord's agents to prevent same.

6. Tenant, its employees, and agents shall not loiter in the entrances, exits, or corridors, nor in any way obstruct the sidewalks, lobbies, halls, stairways or elevators, and shall use the same only as a means of ingress and egress for the Premises.

7. Tenant shall not access the roofs or other secured areas of the Building without the prior written consent of the Landlord.

8. Landlord shall have the right to control and operate the public portions of the Building, the public facilities, the heating and air conditioning, and any other facilities furnished for the common use of tenants, in such manner as is customary for comparable buildings in the area.

9. The toilet rooms, urinals, wash bowls and other apparatus shall not be used for any purpose other than that for which they were constructed, and no foreign substance of any kind whatsoever shall be disposed of therein. Tenant shall be responsible for the expense of any breakage, stoppage or damage resulting from the Tenant's misuse thereof.

10. No furniture, freight, packages, supplies, equipment or merchandise will be brought into or removed from the Building or carried up or down in the elevators, except upon prior notice to Landlord, and in such manner, in such specific elevator, and between such hours as shall be designated by Landlord. If security services are deemed necessary by Landlord, Tenant shall be responsible for reimbursing Landlord for such cost. Tenant shall provide Landlord with not less than 24 hours prior notice of the need to utilize an elevator for any such purpose, so as to provide Landlord with a reasonable period to schedule such use and to install such padding or take such other actions or prescribe such procedures as are appropriate to protect against damage to the elevators or other parts of the Building.

11. Tenant shall assume any and all responsibility for protecting the Premises from theft, robbery and pilferage, which includes keeping doors locked and other means of entry to the Premises closed, when the Premises are not occupied. Building Holidays are: New Year's Day, MLK Day, President's Day, Memorial Day, 4th of July, Labor Day, Thanksgiving, Day-After Thanksgiving, and Christmas Day. If tenant shall be open for business on any of these days tenant will be responsible for the cost of any building required services.

12. Landlord will furnish Tenant with two keys to the Premises, at no charge. Additional keys shall be obtained only from Landlord and Landlord may make a reasonable charge for such additional keys. No additional locking devices shall be installed in the Premises by Tenant, nor shall any locking device be changed or altered in any respect without the Landlord's prior written approval. Tenant, upon termination of its tenancy, shall deliver to Landlord all keys to doors in the Building and the Premises that shall have been furnished to Tenant. Landlord acknowledges that Tenant has installed and provides Sonitrol key cards to its staff that grant access to Mission, Minna and New Montgomery Street entrances. No charge shall be required for Sonitrol key cards.

13. Tenant shall not waste electricity, water or air conditioning. Tenant agrees to cooperate fully with Landlord to ensure the most effective operation of the Building's heating and air conditioning system, and shall refrain from attempting to adjust any controls.

14. Tenant shall not use any method of heating (i.e. space heaters) or air conditioning other than that which may be supplied by Landlord, without the prior written consent of Landlord.

15. Tenant shall store all its trash and garbage within the interior of the Premises. No material shall be placed in the trash boxes or receptacles if such material is of a nature that it may not be disposed of in the ordinary and customary manner of removing and disposing of trash and garbage without violation of any law or ordinance governing such disposal. All trash, garbage and refuse disposal shall be made only through entry-ways and elevators provided for such purposes at such times as Landlord shall designate.

16. Tenant shall not employ any person or persons other than the janitor of the Landlord for the purpose of cleaning the Premises, unless otherwise agreed to by Landlord in writing. Tenant shall not cause any unnecessary labor by reason of Tenant's carelessness or indifference in the preservation of good order and cleanliness. Landlord shall in no way be responsible to any Tenant for any loss of property on the Premises, however occurring, or for any damage done to the effects of any tenant by the janitor or any other employee or any other person. Janitorial service shall include ordinary dusting and cleaning by the janitor assigned to such work and shall not include cleaning of carpets or rugs, except normal vacuuming, or moving of furniture and other special services. Janitorial service will not be furnished on nights when rooms are occupied after 9:30 p.m.. Window cleaning shall be done only by Landlord, and only between 6:00 a.m. and 5:00 p.m. All janitors and other Landlord staff who regularly access the Premises shall have a background CLETS check performed (once every 5 years) prior to accessing the Premises.

17. Landlord shall have the right to prescribe the position of safes and other objects of excessive weight. No safe or other objects whose weight exceeds the structural load design for the Building shall be brought into or kept at the Premises. If, in the sole discretion of the Landlord, it

is necessary to distribute the concentrated weight of any heavy object, all work, including any required structural design, involved in such distribution shall be done at the expense of Tenant and in such manner as Landlord shall determine in its sole and absolute discretion.

18. Tenant shall not mark, drive nails or screws, or drill into the partitions, woodwork or plaster or in any way deface the Premises or any part thereof without Landlord's written consent. Notwithstanding the foregoing, Tenant may, without Landlord's written consent, place pictures and normal wall hangings in the Premises provided that Tenant repairs any damage resulting therefrom and Tenant restores the Premises to its condition prior to the placement of such items.

19. Landlord will approve where and how telephone lines are to be run to the Premises. No coring or cutting for lines shall be allowed without the consent of the Landlord. The location of telephone, call boxes and other office equipment affixed to the building shall be subject to the reasonable approval of Landlord.

20. No vending machines or machines of any description shall be installed, maintained or operated upon the Premises without the written consent of the Landlord.

21. Tenant shall not use or keep in or on the Premises or the Building any inflammable or combustible fluid or material, except for such limited supplies of such materials which (i) are general office supplies incidental to the operation of Tenant's general office use in the Premises and are typically and customarily used for general office purposes in first-class, multi-tenant office buildings, (ii) are used only in the manner for which they are designed in compliance with all laws and any reasonable regulations Landlord may adopt for such uses, and (iii) are handled, stored, used and/or disposed of in a safe and healthful manner and pursuant to procedures designed to protect against damage to property and injury to persons. Tenant shall indemnify, defend, protect and hold Landlord harmless from and against any and all loss, cost, liability, damage and expense (including without limitation, court costs and reasonable attorneys' fees) arising from Tenant's use of any such materials.

22. Tenant shall not use, keep or permit the Premises to be occupied or used in manner offensive or objectionable to Landlord or other occupants of the Building by reason of noise, odors, or vibrations, or interfere in any way with other Tenants or those having business therein.

23. No cooking shall be done or permitted by any tenant on the Premises, except that use by Tenant of Underwriters' Laboratory-approved portable equipment for brewing coffee, tea, and similar beverages shall be permitted provided that such use is in accordance with all applicable federal, state and city laws, codes, ordinances, rules and regulations, and does not cause odors which are objectionable to Landlord and other Tenants

24. Tenant shall not bring into or keep within the Building or the Premises any animals, other than Official Medical (doctor's note needed) working dogs, birds, electric bikes, scooters or other vehicles. Working Dogs must have appropriate identification.

25. No signs, placards, pictures, names, advertisements or notices visible from the exterior of the Premises shall be inscribed, painted, affixed or otherwise displayed by Tenant on any part of the Building without the prior written consent of Landlord, which consent will not be

withheld unreasonably by Landlord. Existing Tenant signage is acceptable.

26. No curtains, blinds, shades, screens or other coverings, hangings or decorations shall be attached to, hung or placed in any window of the Premises without the prior written consent of Landlord. All electrical ceiling fixtures hung in offices or spaces along the perimeter of the Building must be fluorescent and/or of a quality, type, design and bulb color approved by Landlord.

27. Tenant shall not place any bottles, parcels or other articles on the windowsills.

28. Tenant will require any maintenance or other vendors doing work for the Tenant in the Property whether it is within the leased premises or in the building common areas to provide the Landlord and Property Manager with a current certificate of insurance before work

29. Bicycles need to be stored inside the tenant premises in accordance with Building and Fire Code safety Ordinances. It is the tenant's responsibility to take on the additional maintenance responsibilities and cost of cleaning or repairing the carpet and walls from bicycle storage.

101 NEW MONTGOMERY STREET

Tenant Improvement Rules and Regulations

Listed below are the building rules and regulations with regard to tenant improvement construction. Please see that these rules and regulations are distributed to all appropriate persons. No exceptions to these rules and regulations will be tolerated without prior approval.

1. **Prior to commencing any work in the building**, tenant shall select a contract subject to the approval of Landlord, which approval shall not be unreasonable withheld or delayed. The selected approved general contractor must submit to the Property Manager a complete list of all union contractors and subcontractors performing work in the building to include: firm name, trade, license number, address, telephone numbers, and contact person for each firm. Tenant and Tenant's contractors shall abide by all reasonable safety rules and regulations of Landlord.
2. All work must meet building standards for quality of installation. Common reminders are: HVAC hot water lines will be insulated and thermostats will be white. Exit Signs will match existing; ceiling insulation will be not laid at any time on the top of the acoustical ceiling system; sprinkler heads must match existing; light sensors to be white.
3. Penetration of existing drywall surfaces is absolutely not allowed without prior authorization.
4. Removal of existing fireproofing is **absolutely not allowed** without prior authorization.
5. Cutting, scrapping or grinding of existing structural steel is **absolutely not allowed** without prior authorization.
6. Building hours are from 8:00 a.m. to 6:00 p.m., Monday through Friday, prior arrangements must be made with the Property Manager to perform construction work outside of these hours. Guard Service will be required outside of these hours, unless special arrangements have been made with the Property Manager. All guard service coverage will be charged to the tenant.
7. **All construction personnel and materials are to use the designated elevator exclusively.** This includes not only entry into the building, but also travel between floors within the building. Any need to hold the elevator to transport materials or tools should be no more than a few minutes. If more time is needed please contact the Property Manager. Also deliveries, which require exclusive use of the elevator, must be scheduled with the Property Manager as well.
8. **Construction personnel are restricted to the floor or floors that they are working on and are not to visit other floors in the building.** Workers shall not be allowed to loiter adjacent to occupied tenant spaces. Workers shall not be allowed to play radios in any area of the building.

9. Construction personnel are to use restrooms **only** on the floor under construction or otherwise specified by the Property Manager. All other restrooms are strictly off limits. Landlord reserves the right to ask Tenant's vendor to provide a port-a-potty at contractor expense.
10. All contractors are responsible for providing floor and carpet protection, door jam guards, and door pads. The floor in the main building lobby must be protected as well as any existing carpeting on developed common corridors and elevator lobbies.
11. All contractors will be responsible for immediate elevator clean-up and vacuuming of areas that are soiled during any construction deliveries. All temporary walk-off mats will be vacuumed at the end of each workday.
12. Where a contractor is doing tenant work on an entire floor, contractor will be required to provide carpet taped or glued to the concrete floor in front of each elevator. On multi-tenant floors where contractor is performing work in one particular suite, carpeted walk off mats should be installed in front of the service elevator or at the direction of the Property Manager. Walk-off mats will be required to be kept lightly damp during construction to prevent dust and footprints being tracked throughout the rest of the building.
13. Appropriate safety maintenance will be the responsibility of each contractor for the area in which he is working. All safety measures must meet local and state requirements.
14. All flammable trash must be removed from the job every day. Construction scrap removal must be performed at least once a week, with each contractor responsible for providing necessary debris boxes. There will be no exceptions to this rule.
15. It will be the responsibility of each contractor and his subcontractors to provide their own measures for securing any equipment or tools stored in the building.
16. Any spraying of lacquer, varnish or other volatile materials must be scheduled in advance with the Property Manager and must be performed after normal building operating hours. Measures to remove fumes from the building must be approved by the Property Manager prior to commencement of work.
17. Any use of power tools in or around tenant spaces must be cleared in advance with the Property Manager. Excessively noisy work shall be scheduled for after business hours. Core drilling, roto-hammering, powder shots, etc. over any tenant occupied space must be scheduled in advance for after business hours.
18. All required interruptions in power, water, HVAC or other essential services shall be scheduled 24 hours in advance with the Property Manager. Work must be performed so it does not interrupt building service.
19. All Life Safety System connections must be scheduled 72 hours in advance through the Property Manager. Testing of the Life Safety System will be conducted after-hours. The Building Engineer will be on-site, if deemed necessary by the Property Manager, during

any Life Safety work. The cost of the Engineer's time will be paid for by the Tenant.

20. Any work within an occupied space must be scheduled in advance with the Property Manager. Before commencing any work within the occupied space all workers shall identify themselves to the receptionist and explain the purpose and length of stay. If after-hour work is required, Tenant will cover the cost of Security or Building Engineer if requested.
21. Plenum cable must be fire-rated and independently supported every 4'-0". Cable cannot be placed on top of the ceiling grid.
22. The Building has a Master Key System. The building standard door hardware is Schlage: Rhodes, Satin Chrome door hardware. All locks must be keyed into the Building Key Master System. Mainline Security is the Building Locksmith. No Locks may be changed without out Landlord permission.

Contractor acknowledges receipt of these rules and regulations and agrees to abide by all rules and regulations of the building.

Contractor:

By: _____

Date: _____

EXHIBIT D

STANDARDS FOR UTILITIES AND SERVICES

Landlord will provide the following utilities and services, at cost:

(a) Elevators. Unattended automatic passenger elevator facilities serving the floor(s) on which the Premises are located, on a Daily Basis.

(b) Ventilation; Heating, and Air-Conditioning. Ventilation to the Premises and air-conditioning and heating to the Premises in season, 5-days per week, Monday through Friday, except holidays generally recognized in the City of San Francisco, from 8:00 a.m. to 6:00 p.m., and at the temperatures and in the amounts as required for City's comfortable occupancy of the Premises, such services to be provided in a manner consistent with such services normally provided in other buildings similar to the Building in the San Francisco Financial District and subject to applicable governmental laws, ordinances, rules, and regulations. In addition to the above hours, Landlord will provide ventilation to the Premises and air-conditioning and heating to the Premises in season, after hours or on weekends or during holidays, on twenty-four (24) hours' notice from City, provided that City will reimburse Landlord for Landlord's actual cost for providing the additional ventilation to the Premises and air-conditioning and heating to the Premises in season. City may not alter, adjust, or tamper with the installations or facilities supplying climate control to the Building or the Premises.

(c) Electricity. Electric current to the Premises on a Daily Basis, as required for normal lighting and for the operation of personal computers and other normal office machines and equipment. City shall pay the cost of the electricity to the Premises as provided in the Lease. . City 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 the prior written consent of Landlord. At all times, City's use of electric current at the Premises 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 Daily Basis.

EXHIBIT E

STANDARDS FOR JANITORIAL SERVICE

TENANT LEASED OFFICES

NIGHTLY SERVICES: Monday – Friday

- Turn off all lights as soon as possible each night.
- Vacuum all carpets and spot clean.
- Dust mop and damp mop all hard surface flooring.
- In conference rooms and sitting areas, organize chairs and tables.
- Dust (feather duster) all desks, chairs and office furniture. Wipe down conference room tables with treated dust cloths. No oil or polish will be used. Papers and folders on desks and conference tables are not to be moved.
- Remove fingerprints and dirt smudges from all doorframes, glass partitions, light switches, walls, including walls behind waste baskets, elevator doorjambs and elevator interiors.
- Remove tenant sorted waste (Landfill, Compost and Recycling) to the designated holding areas. Replace liners and wipe down waste basket exterior.
- Return chairs and waste baskets to proper positions.
- Clean, sanitize and polish drinking fountains and/or water dispensers.
- Spot clean all glass doors. Remove fingerprints and kick marks.
- Remove cobwebs from high areas (6ft.) as needed.

WEEKLY SERVICES:

- Dust all low reach areas including chair rungs, structural and furniture ledges, baseboards, window sills, door louvers, wood paneling, molding, etc.
- Wipe clean and polish all brightwork.

MONTHLY SERVICES:

- Dust all high reach areas including, furniture ledges, tops of partitions, picture frames, etc.

Dust all low reach areas including, but not limited to, chair rungs, structural and furniture ledges, baseboards, windowsills, etc.

QUARTERLY SERVICES:

- Edge all carpeted areas

SEMI-ANNUAL

- Dust light diffusers

ANNUAL SERVICES:

- Shampoo carpet in offices and common areas.

LUNCHROOMS, KITCHEN AND COFFEE AREAS

NIGHTLY SERVICES: Monday – Friday

- Sweep and mop with disinfectant neutral cleaner any hard surface flooring.
- If necessary, vacuum and spot clean carpeting or matting.
- Wipe down using a disinfectant/cleaner all tables and chairs. Organize chairs around tables.
- Empty and wipe clean all waste baskets and recycling bins. Wipe down walls behind these containers.
- Wipe down using a disinfectant/cleaner all counter tops, cabinet faces, drawer handles, exterior of microwaves and refrigerators.
- Clean and disinfect sink and faucets.
- Wipe clean smudged brightwork.

RESTROOMS

NIGHTLY SERVICES: Monday – Friday

- Restock all restrooms with supplies from the owner's stock, including paper towels, toilet tissue, seat covers and hand soap, as required.
- Restock all sanitary napkin and tampon dispensers from building's stock, as required. The receptacle is to be thoroughly sanitized.
- Wash and polish all mirrors, dispensers, faucets, flush meters, and brightwork with non-scratch disinfectant cleaner. Wipe dry all sinks.

- Wash and disinfect all toilets, toilet seats, urinals and sinks with non-scratch disinfectant cleaner.
- Mop all restrooms floors with neutral disinfectant cleaner.
- Wipe clean smudged brightwork.
- Remove all restroom waste. Sanitize and polish receptacle. Re-line.
- Wipe down all partitions, tile walls, dispensers, doors and receptacles.

WEEKLY SERVICE:

- Dust all low reach and high reach areas, including, but not limited to, mirror tops, partition tops, partition tops and edges.
- Sewer drains will be flushed with clean water to prevent odor problems (enzymes can be used at a slight additional increase).

MONTHLY SERVICES:

- Wipe down all walls and metal partitions. Partitions must be left clean and not streaked after this work.
- Dust all ventilation grills (up to 6 ft.) with extension duster.
- Clean and disinfect all handles and doorknobs.

ANNUAL SERVICES:

- Scrub and refinish all restroom flooring.

COMMON AREA

MAIN LOBBY AREA

NIGHTLY SERVICES: Monday – Friday

- Spot clean kick plates, partition top, handrails and wastepaper receptacles.
- Clean and disinfect all doorknobs, handles, elevator call button plate, etc.
- Polish elevator doors and frames.
- Dust any and all furniture, sills and ledges.
- Empty waste baskets and wipe exterior.
- Vacuum all carpets and spot clean.

- Sweep and thoroughly damp mop all hard surface flooring.

PASSENGER ELEVATOR

NIGHTLY SERVICES: Monday - Friday

- Polish elevator doors and frames.
- Sweep and/or mop and/or vacuum all cab floors - edge thoroughly. If carpeted, spot clean carpet.
- Vacuum and polish elevator thresholds.

WEEKLY SERVICE

- Thoroughly clean entire interior stainless steel surfaces all doors and frames and outside surfaces of all doors and frames.

ANNUAL SERVICES

- Shampoo carpet.

STAIRWELLS & FIRE EXIT

SEMI-ANNUAL SERVICES

- Wipe down handrail with disinfectant cleaner.
- Thoroughly sweep & mop as needed.
- Remove cobwebs from high areas (6ft.) as needed.

EXTERIOR GROUNDS SPECIFICATIONS

NIGHTLY SERVICES Monday - Friday

- Sweep entrances of building.
- Remove trash accumulated in all corners from entrances of building.

WEEKLY SERVICES

- Polish exterior brass standpipes.

GENERAL INFORMATION

WEEKLY SERVICES

Landlord's janitorial contractor (its "**Contractor**") will furnish all labor, materials, and equipment required to perform exterior and interior janitorial service five days a week, Monday through Friday, excluding holidays. All services must be performed after 5:00 p.m.

All employees of Landlord's Contractor must be fully trained and experienced in the custodial service trade.

UNIFORMS

- All personnel, including the coordinator and supervisors, must be uniformed while on duty. All personnel must have a visible company name, logo, badge, etc., on their uniform that can be visible in camera footage.

EMPLOYEE SAFETY

- Landlord's Contractor will accept responsibility for determining that all necessary safeguards for protection of Contractor's employees are available or will be furnished. All work performed must conform to CAL-OSHA standards. Follow policies and procedures concerning safety, administrative requirements, standards, practices, and work methods.

APPROVAL OF PRODUCTS

City will have the right to prohibit the use of any product proposed or being used by Landlord's Contractor should City deem the product to be unsafe or harmful to those items being cleaned or to City's staff. In this regard, Landlord must provide on request a complete list of products to be used in the course of this Lease, together with Material Safety Data Sheets for each cleaning chemical.

JANITORIAL CLOSET SPECIFICATIONS

- Maintain this area in a neat and orderly fashion.
- Discard any outdated chemicals and general trash.
- Sweep and/or mop flooring.
- Supply customer with the necessary MSDS sheets for cleaning chemicals used in the facility. Pursuant to: www.osha.gov/laws-regs/regulations/standardnumber/1910/1910.1200 and [WHO-2019-nCoV-Disinfection-2020.1](#)

SUPPLIES & CLEANING PRODUCTS

- Landlord will assign space in the Building to Contractor to store supplies and equipment. Supplies and equipment must be neatly stored only in the areas provided by Landlord.
- Pursuant to CDC and SF Gov website protocols - janitorial crew will give extra attention to

cleaning and disinfecting high touch surfaces; doorknobs, drinking fountains (if in operation), toilets, sink faucets and handles, counters tops, table tops, elevator call buttons, drawer handles, refrigerators handles, microwave handle, stair rails.

➤ Cleaning products used on premises:

- Comet
 - Lysol Cleaner
 - Glass Cleaner
 - Neutral Cleaner
 - DMQ Neutral Disinfectant Cleaner
 - Simple Green
- Landlord or its Contractor will supply floor wax, wax stripper, and other expendable supplies required for daily cleaning and maintenance, as well as janitorial supplies such as hand soap, paper hand towels, paper toilet tissue, paper seat covers, and deodorants. Furthermore, Landlord or its Contractor will supply all equipment including ladders, vacuum cleaners, extractors, floor machines, mops, and buckets.

COMMUNICATION

ONGOING:

- Communicate to Property Manager any items noticed by the custodial crew construed as a repair/maintenance item to include but not limited to good working order and condition of sinks, water closets, urinals and restroom fixtures. Post emergency phone numbers in Janitorial Closet.
- Perform requisite daily communication with the Property Manager on matters relating to the services performed.
- Advise Property Manager of any daily staff substitutions or permanent changes.
- Advise Property Manager if a key breaks or is lost.
- All keys are assigned to specific personnel – do not trade keys. Site keys are not allowed to be taken off premises.
- Strive toward energy conservation by turning lights off when completing janitorial services in each area as able.
- All personnel must personally sign themselves in and out daily.
- Ensure all exit doors are closed and locked upon exiting the property.
- Set security alarms as agreed to.
- Lock elevators as agreed to.
- If and to the extent the Property Manager requests the janitorial company to provide additional

services that are material different from those listed above ("Additional Services"), Property Manager may request and agree to additional charges.

OTHER:

CCSF HOLIDAY SCHEDULE

New Year's Day

Martin Luther King Day

President's Day

Memorial Day

Juneteenth Day

Independence Day

Labor Day

Columbus Day* not a Building holiday

Veteran's Day* not a Building holiday

Thanksgiving Day

Friday after Thanksgiving Day

Christmas Day

EXHIBIT F

STANDARDS FOR SECURITY SERVICE

Landlord will furnish security services as follows:

SECURITY GUARDS:

One (1) security guard at the New Montgomery Street entrance from 7:00 a.m. to 6:00 p.m., Monday through Friday (except holidays)

OTHER SECURITY SERVICES:

"Sonitrol" or equivalent system reasonably acceptable to City shall be installed and maintained for after-hours security.

Landlord shall also install and maintain as an operating expense a Sonitrol or equivalent access card and closed circuit television system.

EXHIBIT G

WORK LETTER

OMITTED INTENTIONALLY

EXHIBIT H

OMITTED INTENTIONALLY

EXHIBIT I

2023 OPERATING COSTS

From: [BOS Legislation, \(BOS\)](#)
To: [BOS-Operations](#)
Cc: [BOS Legislation, \(BOS\)](#)
Subject: FW: Submission - Fully Executed Documents for File No. 241140
Date: Monday, December 30, 2024 8:07:57 AM
Attachments: [2024 -10.30 Fully Executed Lease.pdf](#)
[image001.png](#)

Hi Ops,

Please see attached executed Lease for File No. 241140 [Real Property Lease - MacLean Properties, LLC and 101 New Montgomery Street LP - 101 New Montgomery Street also known as 617 Mission Street - \$580,020 Initial Annual Base Rent].

Lisa Lew

San Francisco Board of Supervisors
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco, CA 94102
T 415-554-7718 | F 415-554-5163
lisa.lew@sfgov.org | www.sfbos.org

(VIRTUAL APPOINTMENTS) To schedule a “virtual” meeting with me (on Microsoft Teams), please ask and I can answer your questions in real time.



Click [here](#) to complete a Board of Supervisors Customer Service Satisfaction form

The [Legislative Research Center](#) provides 24-hour access to Board of Supervisors legislation, and archived matters since August 1998.

***Disclosures:** Personal information that is provided in communications to the Board of Supervisors is subject to disclosure under the California Public Records Act and the San Francisco Sunshine Ordinance. Personal information provided will not be redacted. Members of the public are not required to provide personal identifying information when they communicate with the Board of Supervisors and its committees. All written or oral communications that members of the public submit to the Clerk's Office regarding pending legislation or hearings will be made available to all members of the public for inspection and copying. The Clerk's Office does not redact any information from these submissions. This means that personal information—including names, phone numbers, addresses and similar information that a member of the public elects to submit to the Board and its committees—may appear on the Board of Supervisors' website or in other public documents that members of the public may inspect or copy.*

From: Ngo, Jennie (ADM) <jennie.ngo@sfgov.org>
Sent: Thursday, December 26, 2024 11:05 AM
To: BOS Legislation, (BOS) <bos.legislation@sfgov.org>
Cc: Penick, Andrico <andrico.penick@sfgov.org>; Suess, Jeff (ADM) <jeff.suess@sfgov.org>; Faidi, Susan (ADM) <susan.faidi@sfgov.org>; Chin, Susanna (ADM) <susanna.chin@sfgov.org>
Subject: Submission - Fully Executed Documents for File No. 241140

Dear Board of Supervisors Clerk,

Attached to this email, you will find the fully executed documents pertaining to File # 241140 – 101 New Montgomery. We kindly request its prompt posting on Legistar in accordance with your procedure.

Please don't hesitate to contact me directly if you have any questions

Jennie Ngo (She/Her/Hers)

Executive Assistant to **Andrico Penick** | Office Manager

City & County of San Francisco | Real Estate Division

25 Van Ness, Suite 400

San Francisco, CA 94102

Tel: 415-554-9850 (main) | 415-554-9880 (direct)

jennie.ngo@sfgov.org