

## FIRST AMENDMENT TO OFFICE LEASE

THIS FIRST AMENDMENT TO OFFICE LEASE (this "**Amendment**") dated as of June 14, 2023, for reference purposes only, but effective as of the Effective Date, is made and entered into by and between RAUL AND DENISE ARRIAZA, Husband and Wife, as to an undivided fifty (50%) interest and LINDA LEE OLSON and CARL EDWARD OLSON, Trustees of THE OLSON FAMILY TRUST dated October 16, 2014 as to an undivided fifty (50%) interest, (collectively, "**Landlord**"), and the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation ("**City**" or "**Tenant**").

### RECITALS

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

A. City and Landlord have previously entered into that certain Office Lease, dated, for reference purposes only, December 12, 2017, (the "**Lease**"), for the lease of 1305 and 1309 Evans Avenue, San Francisco, California (the "**Building**") a portion of Lot 037, in Assessor's Block 5237, San Francisco, California.

B. Landlord has leased to City the premises in the Building identified in the Basic Lease Information (the "**Premises**"). City is using the Premises for operating community serving programs supporting children and families, and such other uses as specified in the Basic Lease Information.

C. The Term of the Lease expired on June 13, 2023, and the Lease is currently a month to month lease.

D. City and Landlord now desire to enter into this Amendment to extend the Term of the Lease to June 13, 2028, and amend the Lease on the terms and conditions as set forth herein. Capitalized terms used but not defined in this Amendment shall have the meanings set forth in the Lease.

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

1. **Extension of the Term.** City and Landlord agree to extend the Term of the Lease for an additional five (5) years, commencing on the Effective Date, and expiring at 11:59 p.m. Pacific Time on June 13, 2028, unless sooner terminated pursuant to the terms of the Lease. From and after the Effective Date (as defined herein), all references in the Lease and this Amendment to the "**Term**" or "**term**" shall refer to the Term, as extended hereby.

2. **Base Rent.** From and after the Effective Date (as defined below), City shall pay to Landlord an annual Base Rent of \$470,544.00 (\$37.08 per sq. ft.). From and after of the Effective Date, all references in the Lease to the Base Rent shall mean the Base Rent as amended hereby.

**3. Amendment to Lease.**

a. Amendment to Lease Section 1 (Basic Lease Information). As of the Effective Date, the following subsections in Section 1 (Basic Lease Information) are hereby amended and restated in their entirety to read as follows:

Term ( <u>Section 3</u> ):	Commencement date: June 14, 2018 Expiration Date: June 13, 2028
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Base Rent ( <u>Section 4.1</u> ):	Annual Base Rent: \$470,544.00 (\$37.08 per sq. ft.)  Monthly payments: \$39,212.00 (\$3.09 per sq. ft.)
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b. Amendment to Lease Section 23.33. Lease Section 23.33 is amended and restated in its entirety and shall hereinafter read as follows:

**“23.33 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 10 percent (10%) in Landlord; any subcontractor listed in the lease; and any committee that is sponsored or controlled by Landlord; and (ii) within thirty (30) days of the submission of a proposal for the Lease, the City department with whom Landlord is leasing is obligated to submit to the Ethics Commission the parties to the lease and any subcontractor. Additionally, Landlord certifies that it has informed each such person of the limitation on contributions imposed by Section 1.126 by the time it submitted a proposal for the lease, and has provided the names of the persons required to be informed to the City department with whom it is leasing.”

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

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

6. **Governing Law.** This Amendment will be governed by, construed and enforced in accordance with the laws of the State of California and the City's Charter. Any legal suit, action, or proceeding arising out of or relating to the Amendment shall be instituted in the Superior Court for the City and County of San Francisco, and each party agrees to the exclusive jurisdiction of such court in any such suit, action, or proceeding (excluding bankruptcy matters). The parties irrevocably and unconditionally waive any objection to the laying of venue of any suit, action, or proceeding in such court and irrevocably waive and agree not to plead or claim that any suit, action, or proceeding brought in San Francisco Superior Court relating to this Amendment or the Lease has been brought in an inconvenient forum.

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

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

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

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

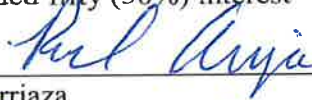
11. **Effective Date.** The “**Effective Date**” means the date that: (a) City’s Board of Supervisors and the Mayor, in their sole and absolute discretion, have adopted the Resolution approving this Amendment in accordance with all applicable legal requirements and (b) this Amendment is duly executed and delivered by the parties.

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

***[SIGNATURES APPEAR ON THE FOLLOWING PAGE]***

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

LANDLORD: RAUL AND DENISE ARRIAZA, Husband and Wife, as to an undivided fifty (50%) interest and LINDA LEE OLSON and CARL EDWARD OLSON, Trustees of THE OLSON FAMILY TRUST dated October 16, 2014 as to an undivided fifty (50%) interest

  
\_\_\_\_\_  
Raul Arriaza

  
\_\_\_\_\_  
Denise Arriaza

Name:   
\_\_\_\_\_  
Trustee or other Authorized Signatory for the Olson Family Trust

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

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

APPROVED AS TO FORM:

DAVID CHIU, City Attorney

By: \_\_\_\_\_  
Vincent Brown  
Deputy City Attorney