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OFFICE LEASE

between

HUDSON 1455 MARKET STREET, LLC, a Delaware limited liability company,
as Landlord

and

CITY AND COUNTY OF SAN FRANCISCO,
as City

For the lease of Office Space at
1455 Market Street, San Francisco, California

May 1, 2024

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EXHIBIT C — Rules and Regulations

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EXHIBIT E — Standards for Janitorial Service

EXHIBIT F — Standards for Security Service

EXHIBIT G – Schedule E-Base Interruptible Program

EXHIBIT H – Disclosure Statement Regarding Asbestos Containing Materials

EXHIBIT I – Form of Purchase and Sale Agreement

EXHIBIT J — Form of Memorandum of Lease

EXHIBIT K – List of City Approved Appraisers and Appraisal Instructions

EXHIBIT L – Environmental Disclosures

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OFFICE LEASE

THIS OFFICE LEASE (this "**Lease**"), dated for reference purposes only as of May 1, 2024, is by and between HUDSON 1455 MARKET STREET, LLC, a Delaware limited liability company ("**Landlord**"), and the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation ("**City**" or "**Tenant**").

Landlord and City 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:	May 1, 2024
Landlord:	Hudson 1455 Market Street, LLC, a Delaware limited liability company
City:	CITY AND COUNTY OF SAN FRANCISCO
Building (Section 2.1(a)):	1455 Market Street, a twenty-two (22) story office building containing approximately 1,123,876 rentable square feet ("**RSF**").
Phase I: Initial Premises (Section 2.1(a)):	Initial Premises shall consist of a portion of floor 7 (containing 51,789 RSF) and the entirety of floors 12 (26,352 RSF), 13 (26,339 RSF), 16 (26,337 RSF) and 17 (26,337 RSF) in the tower, for a total of approximately 157,154 RSF (the "**Phase I: Initial Premises**").
Phase II: Initial Premises (Section 2.1(b)):	See Section 2.1(b).
Additional Premises Option (Section 2.1(c)):	Subject to any existing rights with respect to such additional space, the City shall have the right, but not the obligation ("**Additional Premises Option**"), to lease any additional vacant office space in the Building ("**Additional Premises**") on the then same terms and conditions of this Lease (e.g. then escalated Base Rent, same Base Year and prorated Moving Allowance and Leasehold Improvement Work Allowance) by giving Landlord no less than 60 days prior written notice (the "**Additional Premises Notice**") of the City's desire to exercise its Additional

	Premises Option. The Additional Premises Option may be exercised multiple times, in City's discretion.
Additional Premises Option – Pre-Existing Tenants (Section 2.1(d)):	See Section 2.1(d).
Additional Premises Option – Duration:	The City's Additional Premises Option (including any exercise by any of the Pre-Existing Tenants) may only be given prior to December 31, 2027, and shall expire by its terms without the need for prior written notice on December 31, 2027.
Rentable Area of Premises (Section 2.1):	**Phase I: Initial Premises** - Approximately 157,154 RSF on floors 7, 12, 13, 16 and 17. **Phase II: Initial Premises** – No less than approximately 97,000 RSF in the podium which may be upon a staggered rental commencement date. **Additional Premises** - As needed by City during the Additional Premises Option Period based on the Additional Premises Option Notice(s).
Parking Rights (Section 2.5):	City has the right but not the obligation during the Term to lease one parking space for every 3,000 rentable square feet of City's then-existing Premises as set forth in Section 2.5. The parking rate shall be $350 per space per month, terminable upon thirty (30) days notice at the City's option.
Moving Allowance (Section 2.6):	See Section 2.6.
Furniture, Fixtures and Equipment (FF&E) (Section 2.8):	See Section 2.8.
Lease Term (Section 3.1):	Twenty-one (21) years.
Effective Date (Section 3.2(a)):	May 1, 2024
Estimated Rent Commencement Date (Section 3.2(b)):	See Section 3.2(b)
Estimated Expiration Date (Section 3.2(d)):	April 30, 2045.
Extension Option(s) (Section 3.4):	Two (2) additional term(s) of five (5) years each. City shall provide Landlord no less than twelve (12) months and no more than fifteen (15) months prior written notice of its intention to extend the Lease.

Base Rent (Section 4.1):

Annual Base Rent: $6,286,160 ($40.00 per sq. ft.)

Monthly payments: $523,846.61 ($3.33 per sq. ft.)

The Base Rent for the Phase II Premises and for any Additional Premises shall be the same as the then escalated Base Rent for the Phase I – Initial Premises.

Lease Year	Office Annual Base Rent (psf)	Office Monthly Base Rent (psf)
1	$40.00	$3.33
2	$41.20	$3.43
3	$42.44	$3.54
4	$43.71	$3.64
5	$45.02	$3.75
6	$46.37	$3.86
7	$47.76	$3.98
8	$49.19	$4.10
9	$50.67	$4.22
10	$52.19	$4.35
11	$53.76	$4.48
12	$55.37	$4.61
13	$57.03	$4.75
14	$58.74	$4.90
15	$60.50	$5.04
16	$62.32	$5.19
17	$64.19	$5.35
18	$66.11	$5.51
19	$68.10	$5.67
20	$70.14	$5.85
21	$72.36	$6.03

Lease Year:

Each consecutive 12-month period during the Lease Term, with the First Lease Year commencing on the Effective Date.

Phase I: Initial Premises Rent Commencement Date (Section 3.2):

See Section 3.2(b).

Phase II: Initial Premises or Additional Premises Rent Commencement Date (Section 3.2):

See Section 3.2(b).

Electrical Costs (Section 4.1(a)):

City shall pay its own electrical charges as billed by Landlord as a pass-through charge without markup.

Base Rent Adjustment; Adjustment Dates (Section 4.2):	Commencing on each anniversary of the first occurring Rent Commencement Date for Phase I: Initial Premises, increasing 3% annually.
Base Year (Section 4.6):	The Base Year for operating expenses, real estate taxes and insurance shall be the calendar year 2025, provided that if the City exercises its right to lease Additional Premises on or before December 31, 2025, then the Base Year shall be adjusted to be the calendar year 2027.
Basement Base Rent (Section 4.5):	See Section 4.5.
City's Percentage Share (Section 4.4):	**Phase I - Initial Premises** – 13.98%. **Phase II** and **Additional Premises** and **Basement Space** - As reasonably determined by Landlord based upon City's total rentable square footage occupancy in relation to the total rentable square feet in the building taking into account proration for partial year occupancies.
Additional Services (Section 4.18):	See Section 4.18.
Use (Section 5.1):	See Section 5.1.
Zoning (Section 5.1):	C-G-3 Downtown General
Leasehold Improvements (Section 6):	See Section 6.
Leasehold Improvement Allowance (Section 6):	One Hundred Dollars ($100) per square foot.
Communications Equipment (Section 6.3):	City has the non-exclusive right to install and maintain communications equipment on the roof of the Building, subject to Landlord's approval and requirements as set forth in Section 2.6.
Utilities (Section 9.1):	City shall pay its own electrical as billed by Landlord as a pass-through charge without markup.
Services (Section 9.2):	Janitorial, security and all other services are included in the Base Rent, except that City will be responsible for its proportionate share of Operating Costs after the expiration of the applicable Base Year.
Notice Address of Landlord (Section 24.1):	c/o Hudson Pacific Properties 11601 Wilshire Blvd., Ninth Floor Los Angeles, CA 90025 Attn: Arthur Suazo, Executive VP of Leasing

Landlord's Key Contact:	Patricia Miranda, Landlord's property manager, and Arthur Suazo, Landlord's Executive Vice President for Leasing. Such key contacts may change from time to time.
Landlord Contact Telephone No.:	415-777-4126
City's Notice Address (Section 24.1):	Real Estate Division 25 Van Ness Avenue, Suite 400 San Francisco, California 94102 Attn: Director of Property Re: 1455 Market Street
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: 1455 Market Street Fax No.: (415) 554-4757
City's Key Contact:	Andrico Q. Penick, Director of Property
City Contact Telephone No.:	415-554-9860
City's Alternate Contact:	Director of Property
Alternate Contact Telephone No.:	415-554-9850
Brokers (Section 24.8):	Cushman & Wakefield
Option to Purchase Building (Section 22.1):	See Section 22.1.
Temporary Swing Space and Storage (Sections 22.5 and 22.6):	See Sections 22.5 and 22.6.
Due Diligence (Section 22.2):	See Section 22.2.
Due Diligence Information (Section 22.3):	See Section 22.3.

2. PREMISES, PARKING AND ALLOWANCES

2.1 Lease Premises

(a) Building and Phase I: Initial 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 "**Initial Premises**"). The Phase I: Initial Premises contain the rentable area and are located on the floor(s) of the Building specified in the Basic Lease Information and as follows: Initial Premises shall consist of 51,789 RSF on the 7th floor and the entirety of the rentable area on floor 12 (26,352 RSF), floor 13 (26,339 RSF), floor 16 (26,337 RSF) and floor 17 (26,337 RSF) in the tower, for a total of approximately 157,154 RSF (the "**Phase I: Initial Premises**"). As used in this Lease, the term "**rentable area**" and its corollary, RSF, means that measurement of interior floor area computed in accordance with the "Office Buildings: Standard Methods of Measurements" (ANSI/BOMA Z65.1-2017) , 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**."

(b) Phase II: Initial Premises. Additionally, on or before December 31, 2027, to the extent any such space is not the subject of Active Negotiations (defined in Section 2.1(c) below) (as reasonably determined by Landlord), the City shall have the option but not the obligation to lease any or all of the following: (i) floors 6 (131,534 RSF); (ii) the sublevel floor (66,056 RSF) in the podium; (iii) floor 4 (97,718 RSF) in the podium; and (iv) floor 5 (99,041 RSF) in the podium (the "**Phase II: Initial Premises**") by giving notice similar to the Additional Premises Notice (defined in Section 2.1(c) below) and in accordance with the terms applicable to any Additional Premises, provided that Landlord shall work with the City in good faith to agree upon a staggered rental commencement date with respect to portions of the Phase II: Initial Premises.

(c) Additional Premises Option. Subject to any existing rights with respect to such additional space, and provided the City is not in default under this Lease, the City shall have the right on one or more occasions ("**Additional Premises Option**"), but not the obligation, to lease any additional vacant or available full floor office space in the Building ("**Additional Premises**") on the then same terms and conditions (e.g. then escalated Base Rent, same Base Year and prorated Moving Allowance and Leasehold Improvement Work Allowance) of this Lease by giving Landlord no less than 60 days prior written notice (the "**Additional Premises Notice**") of the City's desire to exercise its Additional Premises Option. The City may exercise its Additional Premises Option any number of times, provided that any Additional Premises Notice is given on or before December 31, 2027. Upon receipt of the Additional Premises Notice, which notice shall identify its estimated RSF requirements and desired occupancy date, Landlord shall within five (5) business days, respond in writing outlining all marketable space that is not the subject of Active Negotiations (defined below) in the Building. Within thirty (30) days following the City's delivery to Landlord of the Additional Premises Notice, the City and Landlord shall then work in good faith and in a commercially reasonable and customary manner to agree on the floor(s) to be occupied by City, and mutually acceptable space planning, prioritizing but not requiring reusing existing improvements wherever possible and leasing space in full floor increments. The parties agree that contiguous floors and adjacency to existing City occupied floors will be given priority in locating the Additional Premises. If a written letter of intent/lease proposal identifying particular space under consideration has been delivered to or received by Landlord from a bona fide third party tenant and is actively being negotiated upon ("**Active Negotiations**"), Landlord shall have the right to exclude such space from the Additional Premises Option until such time as a lease has been executed for such space, or the subject space(s) are no longer subject to Active Negotiations. Once the City and Landlord have agreed on the floors and the space plan for the Additional Premises (which the parties agree to pursue in a good faith and diligent manner), an amendment to this Lease

to include the Additional Premises will be submitted to the City's Board of Supervisors and Mayor for their review and approval, to be exercised in each of their sole and absolute discretion within no more than ninety (90) days following the date of such agreement between Landlord and the City. If approved, Landlord shall buildout the Tenant Improvements and move the designated City Departments to the new Additional Premises pursuant to the terms of the Lease. If unconditional approval is not obtained from the City's Board of Supervisors and Mayor within such 90-day period, the City shall no longer have any rights with respect to such Additional Premises and Landlord may market such space to third parties, provided that the City's ability to exercise the Additional Premises Option prior to December 31, 2027 shall not be affected as to the earlier Additional Premises that failed to receive unconditional approval, or any other available space in the Building.

(d) Additional Premises Option – Pre-Existing Tenants. There are two (2) pre-existing City related tenants with leases occupying space in the Building; the San Francisco Municipal Transportation Agency ("**MTA**") which is currently on the 7th floor of the Building in approximately 39,573 RSF, and the San Francisco County Transportation Authority ("**CTA**") which is currently on the 22nd floor of the Building in approximately 27,234 RSF (MTA and CTA are referred to collectively as the "**Pre-Existing Tenants**"). Upon the expiration of their existing applicable lease(s), and provided the Pre-Existing Tenants are not then in material default after expiration of any applicable notice and cure periods under said leases, the Pre-Existing Tenants, by and through the City's Real Estate Division ("**RED**"), will have the right, but not the obligation, to lease Additional Premises under this Lease (in accordance with the terms in Paragraphs 3 and 5 hereof) or to add the same premises as that leased pursuant to the Pre-Existing Tenant's current lease to the Premises under this Lease, and will enjoy the same rights and obligations as any other City Department under this Lease. The MTA or CTA, as applicable, lose this right if their pre-existing lease is terminated early due to an uncured default. The rights contained herein are personal to the Pre-Existing Tenants and are not applicable to any assignee or subtenant of any such space. For the avoidance of doubt, the approximately 66,807 RSF occupied by the Pre-Existing Tenants shall be included in the 400,000 RSF that is necessary for the City to lease in order to exercise its Purchase Option pursuant to Section 22.1.

(e) Additional Premises Option Duration. The City's Additional Premises Notices (including any exercise by any of the Pre-Existing Tenants) must be given on or before December 31, 2027.

(f) The Phase I: Initial Premises, Phase II: Initial Premises and the Additional Premises, if any, shall be collectively referred to as the "**Office Space**". The "**Basement Space**" is defined below in Section 4.5. The Office Space and the Basement Space that become subject to this Lease shall be collectively referred to as the "**Premises**".

2.2 Common Areas

Subject to the terms of this Lease, City 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.

2.3 Condition of the Premises on Delivery

Landlord will deliver the Premises to City in good, broom clean condition, fully demised, 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 (other than compliance obligations within the Premises to the extent triggered by City's particular use that is not a general office use or Leasehold Improvements or Alterations that are not considered typical general office improvements), the Building, and the Common Areas in compliance with all applicable Laws (or, to the extent any of same are not in compliance with all applicable Laws, with Landlord assuming responsibility for causing said compliance), as provided in Section 10.1 (Landlord's Compliance with Laws; Premises Condition; Indemnity) with the Leasehold Improvements (as defined below) substantially completed by Landlord and confirmed by City under Section 6.1 (Landlord's Obligation to Construct Improvements).

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."

If City elects to obtain an inspection, City and Landlord will mutually agree on the arrangements for the time and manner of the CASp inspection, provided that Landlord shall not be responsible for the cost of any CASp inspection fee or the cost of any repairs necessary to correct violations of construction-related accessibility standards (unless Landlord is otherwise obligated to do so pursuant to Section 10.1 or other terms of this Lease).

2.5 Parking Rights

(a) City has the right but not the obligation during the Term to lease one parking space for every 3,000 rentable square feet of City's then-existing Premises as set forth in this Section 2.5. The initial parking rate shall be $350 per unreserved parking pass per month, which rate shall be subject to market rate increases consistent with the parking rates being charged by landlords of Comparable Space in the Reference Area (as defined below) no more frequently than once every twelve (12) months. The parking term for each parking space shall be for the remainder of the Term, terminable at the City's option upon sixty (60) days' prior written notice or by Landlord upon City's failure to pay the parking fee after written notice and cure period.

(b) All parking pursuant to this Section 2.5 shall be subject to reasonable and nondiscriminatory rules and regulations adopted by Landlord from time to time for the orderly operation and use of the parking garage, including the implementation of any sticker or other identification system established by Landlord. Such rules and regulations, and reasonable additions or modifications thereto, shall be binding upon City after delivery to City of a copy thereof (and a reasonable implementation period, if reasonably necessary), provided that such rules and regulations shall not materially reduce City's obligations hereunder, shall not conflict with the provisions of this Lease, shall not materially increase the burdens or obligations upon City or City staff, and shall not impose a charge upon City for services or rights which this Lease contemplates will be provided to City at no charge. City shall abide by, and exercise reasonable efforts to cause City's Agents and Invitees (as defined in Section 24.5 below) to abide by such rules and regulations. Landlord may engage a parking operator for the garage in the Building, in which case such parking operator shall have all the rights of control reserved hereunder by Landlord.

(c) Landlord specifically reserves the right to change the size, configuration, design, layout and other aspects of the parking garage at any time. City acknowledges and agrees that Landlord may, without incurring any liability to City and without any abatement of Rent under this Lease, from time to time, temporarily close-off or restrict access to the parking garage for purposes of permitting or facilitating any such construction, alteration or improvements provided that Landlord shall (i) provide City with reasonable advance written notice of such disruption, (ii) allocate any parking spaces which remain accessible during such disruption in a nondiscriminatory manner, (iii) diligently attempt to make City's parking spaces available as promptly as reasonably practicable, (iv) keep City apprised of Landlord's efforts, and (v) use its commercially reasonable efforts to provide City with access to City's bicycle parking in the garage of the Building or provide reasonable substitute bicycle parking. If City isn't able to use any parking space for more than three (3) consecutive days, the parking rate paid by City for such space(s) shall be prorated appropriately. Landlord shall not be liable to City, nor shall this Lease be affected, if any parking is impaired by any moratorium, initiative, referendum, law, ordinance, regulation or order passed issued or made by any governmental or quasi-governmental body.

(d) Landlord shall operate the parking garage in a customary and commercially reasonable manner for a first class office building. Except for damage caused by Landlord's gross negligence or intentional misconduct, Landlord shall not be liable for any damage of any nature to, or any theft of, vehicles or the contents thereof, in or about the parking garage except to the extent that Landlord fails to operate the parking garage in accordance with the terms of this Lease. At Landlord's request, City shall cause persons using its allocated parking spaces to execute a commercially reasonable standard agreement confirming the foregoing.

(e) City's parking rights hereunder may not be assigned or transferred apart from this Lease. The parking rights conveyed under this Lease are intended for the City and its Agents for parking of City fleet vehicles. Individual City employees do not have a right to park their personal vehicles in the garage pursuant to this Lease. However, the foregoing shall not prohibit use of the parking spaces by City's program affiliates or subtenants under an approved sublease, nor shall it prevent the Landlord from offering parking to individual City employees on the same or better terms as the general public. The City shall not be responsible (and it shall not be a breach of this Lease), if an individual City employee breaches any parking agreement he/she/they have directly with the Landlord. Upon the expiration or earlier termination of this Lease, City's parking rights hereunder shall automatically terminate.

2.6 Moving Allowance

With respect to any Premises leased by City pursuant to this Lease, provided the City is not in material default under the Lease (following delivery of notice and expiration of applicable cure periods), Landlord shall be responsible for reasonable moving expenses associated with relocating and installing City's furniture, fixtures, and equipment ("**FF&E**") and City's Personal Property (as defined in Section 7.3(a)) in the Building, not to exceed fifteen dollars ($15.00) per RSF (the "**Moving Allowance**"). Prior to commencing the move, Landlord shall inform City in writing if the costs of the proposed move will exceed the Moving Allowance and the amount required by City to complete the move as contemplated ("**City's Moving Contribution**"). The City, through its Director of Property will confirm that the City has the funding and will pay the City's Moving Contribution within thirty (30) days of invoice. The Moving Allowance of $15 psf applies to each City move whether relating to the Phase I: Initial Premises, the Phase II: Initial Premises, or the Additional Premises. Unspent Moving Allowance will not roll over to a subsequent move. The Moving Allowance shall be applied and exhausted before City's Moving Contribution will be applied to the cost of a move.

2.7 Furniture, Fixtures and Equipment (FF&E)

The City shall have the option to purchase existing FF&E that is in place prior to build out of any of the Phase I: Initial Premises, Phase II: Initial Premises and/or Additional Premises and that the City wishes to re-use, on an AS-IS basis via a separate bill of sale for $1.00 per floor. The City may choose to accept all, some or none of such existing FF&E, in its sole discretion. Any FF&E that the City chooses not to purchase shall be disposed of by the Landlord at no cost to the City.

3. TERM

3.1 Term of Lease

The Premises are leased from the Effective Date (defined in Section 3.2(a) below) to that date which is twenty (20) years from the Rent Commencement Date (defined in Section 3.2 below) for the Phase I - Initial Premises, unless City extends the Term pursuant to Section 3.4 (Extension Option(s)), below (the "**Term**").

3.2 Effective Date, Rent Commencement Date, and Expiration Date

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

(b) The "**Rent Commencement Date**" is: (i) for Phase I: Initial Premises, the later of (A) twelve (12) months after the Effective Date; and (B) the Substantial Completion of the Leasehold Improvement Work in the Phase I: Initial Premises, (ii) for Phase II: Initial Premises and any Additional Premises, the earlier of (i) the date the City first occupies the Phase II: Initial Premises or the Additional Premises, as applicable (or any full floor portion(s) of such Premises) or (ii) the date of Substantial Completion of Leasehold Improvements and delivery of the Phase II: Initial Premises or Additional Premises, as applicable (or any full floor portions of such Premises) to City.

(c) The "**Expiration Date**" is the twenty (20th) anniversary of the Rent Commencement Date unless this Lease is earlier terminated or City extends the Term pursuant to Section 3.4 (Extension Option(s)), below.

(d) After Landlord has delivered the Phase I: Initial Premises in the condition required under this Lease then Landlord will promptly deliver to City a notice substantially in the form of the attached **Exhibit B** ("**Notice of Commencement Date**") confirming the actual Rent Commencement Date for Phase I: Initial Premises and the Expiration Date, but Landlord's failure to do so will not affect these dates. Landlord shall also promptly deliver to City a Notice of Commencement Date after the Rent Commencement Date for the Phase II: Initial Premises and the Additional Premises, as applicable, but Landlord's failure to do so will not affect these dates.

3.3 Delay in Delivery of Possession

Landlord will use its commercially reasonable efforts to deliver possession of the Phase I: Initial Premises in the condition required under this Lease, with all of the Leasehold Improvements substantially completed under Section 6.1 (Landlord's Obligation to Construct Improvements) on or before September 1, 2024 (the "**Estimated Possession Date**"). If Landlord is unable to deliver possession of the Phase I: Initial Premises by the Estimated Possession Date, then, subject to the provisions of this Section below, the validity of this Lease will not be affected by Landlord's inability to deliver possession except that City's obligations to pay Rent will not commence until the Rent Commencement Date. If the Rent Commencement Date is later or earlier than the Estimated Commencement Date, this Lease will still expire on the Expiration Date, unless sooner terminated or extended under the provisions of this Lease.

3.4 Extension Option(s)

Landlord grants City the right to extend the Term (as to the entire Premises only) (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 except that the rent for each Extended Term shall be at **ninety-five percent (95%) of the then fair market rental rate** as determined by an M.A.I. appraiser mutually selected from the City's panel of appraisers and agreed to by the parties. Landlord acknowledges and agrees that

City's exercise of an Extension Option will be conditioned on and subject to the City's 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 less than twelve (12) months and no more than fifteen (15) months before expiration of the Term. 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 within ninety (90) 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 ninety (90)-day period, 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, City 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. The Extension Option(s) is personal to City and is not exercisable (i) by any sublessee, assignee or other transferee of City, or (ii) if City is in default under this Lease.

4. RENT

4.1 Base Rent

Beginning on the Rent 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. If the Rent Commencement Date occurs on a day other than the first day of a calendar month or the Expiration Date occurs on a day other than the last day of a calendar month, then the monthly payment of the Base Rent for the fractional month will be prorated based on a thirty (30)-day month..

(a) **Electrical Costs**. The Base Rent for the Premises is net of electrical charges. City shall pay the actual cost of electricity use within the Premises, without markup, either directly to the electricity utility provider, if electrical usage in the Premises is measured by direct meters, or, if electrical usage in the Premises is measured by submeters per Section 9.1(b), then to Landlord on a monthly basis, as additional Rent, within thirty (30) days after presentation of an invoice showing the usage and the charge therefor.

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 as follows:

On each Adjustment Date, the Base Rent for the following twelve-month period will be adjusted to equal one hundred and 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(s)

(a) At the commencement of any Extended Term, the Base Rent will be adjusted to equal to **ninety-five percent (95%) of the then fair market rental 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 Civic Center and Western SOMA areas of San Francisco ("**Reference Area**"); provided, however, in no event will the Base Rent be reduced below the Base Rent for the twelve (12)-month period prior to the Extended Term. As used in this Section, "**prevailing 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, **(v)** tenant improvement allowances and other allowances given under the leases for Comparable Space, **(vi)** the rights of City under this Lease; and **(vii)** the value of the existing improvements in the Premises. The prevailing market rent shall not take into account any brokerage commissions being paid under this Lease or 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 prevailing market rate for the Premises, together with reasonable supporting documentation. If City disputes Landlord's determination of the prevailing 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 prevailing market rate, Landlord and City will attempt in good faith to meet (in person and/or via teleconference) 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 prevailing market rate, then each will select one appraiser to determine the prevailing market rate. 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 prevailing 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 prevailing 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 prevailing 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 prevailing market rate. If the prevailing 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. 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.

(iv) If City's Director of Property does not approve the prevailing market rate as determined by the appraisal procedure specified above, the Director of Property may revoke City's exercise of the Extension Option.

(v) All appraisers must be "MAI" designated members of the Appraisal Institute with not less than five (5) years' recent experience appraising leases of commercial properties similar to the Premises in the Reference Area. Landlord and City each will pay the cost of the appraiser it selects and one-half of the cost of the third appraiser.

4.4 Additional Charges; Late Charges

(a) 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**".

(b) If any installment of Rent or any other sum due from City shall not be received by Landlord or Landlord's designee within fifteen (15) business days following notice from Landlord to City that the amount is past due, then City shall pay to Landlord (i) a late charge equal to One Thousand and No/100 Dollars ($1,000.00), and (ii) interest on the amount not paid when due at the Interest Rate as defined below. "**Interest Rate**" shall mean the lesser of (A) six percent (6%) per year plus the annual "Bank Prime Loan" rate cited in the Federal Reserve Statistical Release Publication H.15(519), published on the first Tuesday of each calendar month (or such other comparable index as Landlord and City shall reasonably agree upon if such rate ceases to be published), or (B) the maximum contract rate permitted by Law.

4.5 Basement Base Rent, Allowances and Escalation

The Additional Premises Option described in Section 2.1(c) shall also apply to any basement space located on Level 1 or Level 2 (other than Suite 250) of the Building ("**Basement Space**"), however the Base Rent applicable to such Basement Space shall be based upon a rate of $30.00 per RSF, net of utilities ("**Basement Rent**") as of the Rent Commencement Date for Phase I, escalated by 3% on each Adjustment Date thereafter. Landlord shall provide an allowance for Leasehold Improvement Work to the Basement Space not to exceed $35.00 per RSF and a Moving Allowance not to exceed $15 per RSF for any Basement Space. All other terms and conditions of the Lease apply equally to the Basement Space as to the Office Space.

4.6 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 and prudent costs and expenses actually paid or incurred by Landlord in connection with the management, operation, maintenance, and repair of the Building, including without limitation: **(1)** the cost of air conditioning, electricity (in common areas), 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 insurance required to be carried on the Building, **(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)** reasonable management fees, **(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)** required by applicable Laws enacted on or after the date of this Lease 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.

"**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 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 untenantable by fire or other casualty required to be insured against under the terms of the Lease (beyond any commercially reasonable deductibles) and cost of earthquake repairs in excess of five percent (5%) of the Building's insured value (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 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 at a substantially reduced rate or subsidy;

(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 (other than amendments which become effective after the Effective Date);

(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, costs, 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;

(xxvii) 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 in excess of $50,000 per annum,, including tax disputes where the tenants of the Building would receive benefits if Landlord prevails, 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

(xxxiv) Any other expense that under sound real estate accounting principles would not be considered a maintenance or operating expense by landlords of comparable buildings in San Francisco.

"**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, gross receipts, 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, **(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; or **(5)** any Early Care and Education Commercial Rents Tax imposed under Article 21 of the Business and Tax Regulations Code (gross receipts received from leases to government entities are exempt from this tax).

(b) "**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.

4.7 Adjustments to Base Year

(a) Base Year / Operating Expenses / Property Taxes: The Base Year for Operating Costs and Real Estate Taxes shall be the calendar year 2025, provided that if the City exercises the Phase II: Initial Premises option and occupies at least an additional one hundred thousand (100,000) RSF pursuant to that exercise, then the Base Year shall automatically be adjusted to be the calendar year 2027.

(b) Operating Costs. If the Building is not at least one hundred percent (100%) 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 one hundred percent (100%) occupied; and the amount Landlord determines will be deemed to have been the amount of Operating Costs for that 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, adds services, or incurs expenses relating to separate items or categories or subcategories of Operating Costs that were not part of Operating Costs during the entire Base Year, then unless such added services are generally provided at other comparable first-class office buildings in San Francisco (and were not so provided during the Base Year), the Operating Costs for the Base Year will be grossed up to reflect what Operating Costs would have been if the custom or practice, additional services, separate items, or categories or subcategories of Operating Costs been provided during the entire Base Year. Operating Costs for the Base Year or any Expense 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.

(c) Taxes. 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 one hundred percent (100%) 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 one hundred percent (100%) occupied Building.

4.8 Calculation of Operating Costs and Real Estate Taxes

(a) 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 and will be amortized over the useful life of the capital improvements, together with interest on the unamortized balance at a rate per annum equal to three percent (3%) over the Treasury Rate charged at the time the capital improvement is constructed, but not more than the maximum rate permitted by law at the time the capital improvement is constructed. 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 one hundred percent (100%) of the Operating Costs actually paid by Landlord in connection with the Building. Within ten (10) business days of the Rent Commencement Date for each of the Phase I: Initial Premises, Phase II: Initial Premises, and Additional Premises (as applicable), Landlord shall provide written notice to the City stating the City's Percentage Share of Operating Expenses and other information as of the date of the notice substantially in the form of **Exhibit B (NOTICE OF COMMENCEMENT DATE, LEASE EXPIRATION DATE, RENT COMMENCEMENT DATE, OPERATING EXPENSE PERCENTAGE & BASE YEAR)**.

(b) Calculation of Real Estate Taxes. The calculation of Real Estate Taxes will be made in accordance with sound real estate accounting principles. The amount of Real Estate Taxes for the Base Year and any Expense Year will be calculated without taking into account any decreases in real estate taxes obtained in connection with any Proposition 8 reduction in Real Estate Taxes, and, therefore, the Real Estate Taxes in the Base Year and/ or an Expense Year may be greater than those actually incurred by Landlord, but nonetheless will be the Real Estate Taxes due under this Lease; provided that **(i)** any costs and expenses incurred by Landlord in securing

any Proposition 8 reduction will not be deducted from Real Estate Taxes or included in Operating Costs for purposes of this Lease, and **(ii)** tax refunds under Proposition 8 will not be deducted from Real Estate Taxes or refunded to City, but will be Landlord's sole property.

4.9 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 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. Landlord must provide any revised estimates to City at least four (4) months before the Expense Year. With reasonable promptness not to exceed one hundred eighty (180) days after the expiration of each Expense Year, Landlord will furnish City with a statement ("**Landlord's Expense Statement**"), 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.

4.10 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 one hundred eighty (180) days after the expiration of each Expense 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.

4.11 Proration

If the Rent Commencement Date (for the Phase I: Initial Premises, Phase II: Initial Premises or each Additional Premises) 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 Rent Commencement Date or Expiration Date occurs, will be prorated based on a three hundred sixty-five (365)-day year.

4.12 Audits

After not less than ten (10) business days' notice to Landlord, City may audit the books and records of the Building related to Operating Costs and Real Estate Taxes at any time within three (3) years following the respective deliveries by Landlord to City of Landlord's Expense Statement and Landlord's Tax Statement. Unless Landlord objects to the same, 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 (or credit against future Base Rent) to City the amount of any overpayment by City. If Landlord objects to City's audit, Landlord may cause its own auditor to audit such books and records and, if the two (2) auditors cannot agree on the amount of Operating Costs owed by City within thirty (30) days following the completion of the audit by Landlord's auditor, then the two (2) auditors shall agree upon a third (3rd) auditor (and the determination of the third (3rd) auditor shall be binding on City and Landlord). City will pay the cost of the audit, but if the final determinative results of the audit(s) discloses any discrepancies that result in a reduction of City's Percentage Share of Operating Costs and/or Real Estate Taxes by three percent (3%) or more for any Expense Year or Tax Year, then Landlord will pay the costs of the audit. City agrees to keep the results of such audit(s) strictly confidential to the extent permitted by Law.

4.13 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 4.12 (Audits).

4.14 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) days after City receives Landlord's written notice and the Contract Monitoring Division confirms that Landlord has been approved as a City vendor.

4.15 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 Tax 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 (unless same is being disputed in good faith by Landlord and the City Tax Code allows for such withholding). 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, upon Landlord coming back into compliance with its San Francisco Business and Tax Regulations Code obligations.

4.16 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 four percent (4%) administrative fee. Landlord may not contract for or provide any additional services requested by City (and City will not be obligated to pay for such additional 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. 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. Additional Services under this Section 4.16 are separate and distinct from Leasehold Improvement Work under Section 6.1.

5. USE

5.1 Permitted Use and Zoning

The current zoning for the Building is C-G-3 Downtown General. City intends to use the Premises primarily for general office use for multiple City Departments and other public or nonprofit agencies for the performance of their services under contract with the City, and uses incidental thereto. Except as expressly stated in this Section 5.1, the Premises may be used by any department, agency, commission, or board of the City, or other public agencies and nonprofit agencies for the performance of services under contract with the City ("**City Providers**"), for any legal purpose consistent with the Planning and Zoning Codes as amended from time to time (the "**Permitted Uses**"). During the Term, the Premises shall be used consistent with standards of a first-class office building. City expressly agrees that the Premises shall not be used for any of the following purposes: (i) drug counseling or treatment; (ii) the detention of criminals; (iii) parole or probation programs, counseling or meetings; (iv) medical clinics, mental health programs or other medical services; and (v) any such other prohibited uses as may be mutually agreed to by the parties; provided however, that City may use the Premises for general office administration of any of the foregoing uses that do not interface in person with the general public. In addition, any use of the Premises for on-site payments or collections from the public or for welfare agency purposes shall only be permitted in a location within the Premises that is approved by Landlord in Landlord's reasonable discretion.

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 express 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, to the extent the circumstances surrounding the grant of same to the other tenant(s) reasonably apply to City, City will be entitled to the same waiver or special dispensation.

5.3 Interference with Access

Landlord will provide to City uninterrupted access to the Building (including but not limited to the parking garage) and the Premises twenty-four (24) hours per day, seven (7) days per week, including during any power outages affecting the Premises or any portion of the Building; but Landlord may, after notice and consultation with City's Director of Property if reasonably practicable, interrupt City's access to the Premises or the Building if there is an immediate threat that will render the Premises, the Common Areas, or any other portion of the Building unsafe for human occupancy. If City's use of any of the Premises or access to the Premises is interrupted because the Premises, the Common Areas, or any other portion of the Building is unsafe for human occupancy due to Landlord's failure to comply with its obligations under this Lease or for any other reason other than a City's Event of Default, then Landlord will immediately undertake all necessary steps to correct the condition. If the condition continues for three (3) consecutive business days and impairs City's ability to carry on its business in the Premises, then the 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 until the City's full use is actually restored. Nothing in this Section will limit City's rights with respect to any disruption due to casualty under Section 12 (Damage and Destruction).

6. LEASEHOLD IMPROVEMENTS

6.1 Landlord's Obligation to Construct Improvements

Landlord, through its general contractor reasonably approved by City, will construct, furnish, and install in the Premises the tenant improvements shown on the Construction Documents (defined below) finally approved by City (the "**Leasehold Improvement Work**" and "**Leasehold Improvements**"), in accordance with the provisions of this Section 6.1. Landlord will provide an allowance of one hundred dollars ($100) per RSF of the Phase I: Initial Premises, as well as for the Phase II: Initial Premises, and each Additional Premises, as applicable (the "**Leasehold Improvement Allowance**" or "**Allowance**"). To the extent the City is leasing more than one (1) floor (as is the case with the Initial Premises), the Landlord Work allowance shall be considered a

lump sum allowance and may be allocated as needed to accommodate varying degrees of work required on different floors – e.g. if one floor only requires $50 per RSF in Landlord Work, then another floor can accommodate up to $150 per RSF in Landlord Work (assuming the RSF of the floors is the same). Unspent Leasehold Improvement Allowance will roll over to a subsequent move, provided that the Leasehold Improvement Allowance with respect to each applicable portion of the Premises must be used by the City within twenty four (24) months following the execution of the Lease (or lease amendment) for the portion of the Premises that earned the Leasehold Improvement Allowance. The oldest remaining Leasehold Improvement Allowance will be spent on any Leasehold Improvement Work first, before exhausting any more recently accrued Leasehold Improvement Allowance.

Prior to commencing the Leasehold Improvement Work, Landlord shall inform City in writing: (i) if the costs of the proposed Leasehold Improvement Work will exceed the one hundred dollars ($100) per square foot and (ii) the amount required by City to complete the Leasehold Improvement Work as contemplated ("**City's Leasehold Improvement Contribution**"). The City, through its Director of Property, will confirm that the City has the funding and will pay the City's Leasehold Improvement Contribution within thirty (30) days of invoice. The Leasehold Improvement Allowance applies to each City move whether relating to the Phase I: Initial Premises, the Phase II: Initial Premises, or the Additional Premises. Unspent City's Moving Contribution shall be promptly refunded back to the City. The Moving Allowance shall be applied and exhausted before City's Moving Contribution will be applied to the cost of a move.

(a) Plans and Specifications.

(i) Pricing Plans. Within ten (10) days of the Effective Date, City shall deliver to Landlord, in writing, all information (including all interior and special finishes) that will be sufficient to complete the pricing plans, including all acoustic requirements, electrical requirements, telephone/data/AV requirements, special HVAC requirements, and plumbing requirements (collectively, the "**Additional Programming Information**"). Following its receipt of same, Landlord shall cause its architect or space planner approved by City to prepare and submit to City for its approval an architectural plan, electrical plan, reflected ceiling plan, floor plans, and tenant finish specifications 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. Once approved, such plans and specifications shall be referred to as the "**Pricing Plans**".

(ii) Construction Documents. Immediately following the Effective Date, based on the approved Pricing Plans, the approved TI Budget (defined in Section 6.1(d)(ii) below) and any adjustments authorized by City (and approved by Landlord), Landlord will cause final plans, specifications, and working drawings for the Leasehold Improvements to be prepared, in conformity with the requirements of this Lease. Landlord will submit a copy of the final plans, specifications, and working drawings to City for the Phase I: Initial Premises within forty-five (45) days after the Effective Date; and for the Phase II: Initial Premises and each Additional Premises within forty-five (45) days after City's approval of the Pricing Plans for such space. The final working drawings and specifications will be subject to City's approval, which approval may not be unreasonably withheld or delayed. If City disapproves the final working drawings and specifications, or any portion of them, then City will promptly notify Landlord of its disapproval and the revisions that City reasonably requires in order for Landlord to obtain City's approval. As soon as reasonably practicable, but in no event later than fifteen (15) days after City's notice, provided Landlord reasonably approves of the same, 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, and working drawings for any applicable phase of the Leasehold Improvements approved by City are referred to as the "**Construction Documents**."

(b) Permits. Subject to the Leasehold Improvement Allowance, 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 work diligently to obtain all such permits and approvals, and will communicate the status thereof with City's Director of Property on a regular basis. 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 for the applicable Leasehold Improvements and Landlord's receipt of all necessary permits and approvals, Landlord will commence construction and cause the Leasehold Improvements to be completed in a good and professional manner in accordance with sound building practices. Subject to the Leasehold Improvement Allowance, Landlord will provide City with a "turnkey" build out, and will make commercially reasonable efforts to meet LEED Gold standards or better for the Leasehold Improvements, provided that any costs incurred by Landlord to meet such standards shall be applied against and reduce the Leasehold Improvement Allowance. 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, as reflected in the Pricing Plans. 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) Payment for Leasehold Improvement Work; Allowance.

(i) Leasehold Improvement Allowance. Landlord will pay for the cost of designing, permitting, constructing and installing the Leasehold Improvements up to the Leasehold Improvement Allowance (including any formerly unused portions of the Leasehold Improvement Allowance pursuant to the first paragraph of this Section 6.1). The Allowance will be provided as an aggregate sum for the Leasehold Improvement Work for the applicable space being added to the Premises, such that it may be allocated disproportionately within the Premises then being built out as City chooses (e.g., one floor of the space may only require $60 per square foot, allowing the balance of $40 per square foot to be applied on other floors or areas of the Phase I: Initial Premises.) If the actual costs of the Leasehold Improvement Work incurred by Landlord exceed the Allowance, City will pay the excess costs at the time of Substantial Completion upon receipt of required documentation in accordance with Section 6.1(d)(iii) below; provided that

Landlord shall not be obligated to incur or pay for any such excess costs (including those above $100,000) unless and until City has obtained authorization to fund the same at the time of City's approval of the revised Pricing Plans. City is not authorized to pay any Leasehold Improvement costs that are in excess of the Allowance above One Hundred Thousand Dollars ($100,000.00), and any such costs may not exceed $100,000 without additional authorized funding. In no event shall Landlord shall have any obligation to pay any Leasehold Improvement costs (other than Landlord Change Order costs) in excess of the Allowance. City will not be responsible for, and the Allowance may not be used for, any review, supervision, administration, or management fees of any person or entity, any overhead or other general expenses of Landlord or any other person or entity, or any charges for parking or use of hoists or freight elevators. Landlord will be solely responsible for the base, core, and shell of the Premises including earthquake, fire, and life safety and other work, and no portion of the Allowance may be applied to those costs (except any code compliance costs which are triggered by the Leasehold Improvement Work and are not considered typical general office improvements or due to City's particular use of the Premises that is not a general office use shall be applied against and reduce the Allowance).

(ii) City's Approval of Costs. The costs of the Leasehold Improvement Work for the Phase I: Initial Premises, the Phase II: Initial Premises, and each Additional Premises, as applicable, must be set forth in a detailed construction budget prepared by Landlord and approved by City (the "**TI Budget**"). The approved TI Budget must show all costs funded by the Allowance and any other costs to be paid by City in line items in cost categories. Within twenty-one (21) days after the completion of the Pricing Plans, Landlord will provide City with an initial TI Budget for its approval (which shall be approved or disapproved by City, in its reasonable discretion, within ten (10) days following the delivery of such TI Budget to City). If the Leasehold Improvements cannot be completed in strict conformity with the most recently approved TI Budget, Landlord must promptly submit to City for its approval a revised TI Budget and identify to City changes in line items and the reasons for the changes. If further changes are required, then Landlord will seek City's approval, following the same procedures. No costs will be included in the Allowance, and City will not be obligated to pay any costs in excess of the Allowance, unless such costs are consistent with the approved TI Budget or until City approves any TI Budget revisions (which approval shall be given or withheld by City within ten (10) days following Landlord's written request therefor). City may approve or disapprove any TI Budget or revisions in its reasonable judgment. City will not unreasonably delay its approval or disapproval. The most recently approved TI Budget will supersede all previously approved TI Budgets.

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

(iv) No Waiver of Conditions. Any waiver by City of a condition of payment must be expressly made by City in writing. If City makes a payment before fulfillment of one or more required conditions, that payment alone will not be a waiver of the conditions, and

City reserves the right to require their fulfillment before making any subsequent payments. If all conditions are not satisfied, City, acting in its reasonable judgment, may make payment as to certain items or categories of costs and not others.

(e) Construction Schedule; Substantial Completion.

(i) Construction Schedule. Landlord will keep City apprised on a regular basis of the status of plan preparation, permit issuance, and the progress of construction. Landlord will use its commercially reasonable efforts to complete the Leasehold Improvement Work for Phase I: Initial Premises on or before the date that is one hundred twenty (120) days after the Effective Date, and shall use commercially reasonable efforts to complete the Leasehold Improvement Work for Phase II: Initial Premises and for each Additional Premises within one hundred twenty (120) days of City's approval of Construction Documents for such Premises. From time to time during the design and construction of the Leasehold Improvements, after reasonable advance written notice to Landlord, City may enter the Premises at reasonable times to inspect the Premises, provided City complies with Landlord's reasonable access requirements and City does not to interfere with the construction. Landlord or its representative may accompany City during any inspection. When construction progress permits, but not less than fifteen (15) days before Substantial Completion, Landlord will notify City of the approximate date that the Leasehold Improvement Work will be substantially completed in accordance with the Construction Documents. Landlord will revise the notice of the approximate Substantial Completion date as appropriate from time to time and will immediately notify City when the Leasehold Improvement Work is substantially completed and the Premises are ready for occupancy by City. On a mutually agreeable date as soon as practicable after Landlord's notice to City that the Leasehold Improvements have been substantially completed, City and its authorized representatives will accompany Landlord or its architect on an inspection of the Premises.

(ii) Substantial Completion. The Leasehold Improvement Work will be deemed to be "**Substantially Complete**" for purposes of this Lease when the Leasehold Improvements have been substantially completed in accordance with the approved Construction Documents so that City can occupy the Premises and conduct its business for its intended uses, Landlord has procured a temporary or final certificate of occupancy or final inspection and sign-off on the job card for the applicable improvements or other work have been completed and signed off as approved by the appropriate governmental agencies, and has delivered evidence thereof to City. Landlord may complete the Leasehold Improvements on a floor by floor basis such that if the Leasehold Improvement Work consists of multiple floors, one floor may be deemed substantially complete, even if other floors are still under construction. The Leasehold Improvements shall be deemed Substantially Complete 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 sixty (60) days after the Leasehold Improvement Work is Substantially Complete, 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 reasonably 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 substantial accordance with the approved Construction Documents, or constitute a waiver of any latent defects. If there is a delay in the date that the Leasehold Improvement Work is Substantially Complete due to any delay by City (or any agent, employee

or representative of City) (herein, a "**City Delay**"), including any delay due to revisions by City to the Pricing Plans or the working drawings and specifications, then the Leasehold Improvement Work shall be deemed Substantially Complete on the date the Leasehold Improvement Work would have been Substantially Complete, but for such delay(s).

(iii) Required Approvals. 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.

(f) Changes to Approved Construction Documents.

(i) City Change Orders. If following its approval of the Construction Documents, City requests any change, addition, or alteration thereto relating to the design or specifications of the Leasehold Improvement Work or is required by a government agency to make a change, addition, or alteration to the Construction Documents relating to the design or specifications of the Leasehold Improvements or a field change, in either case not due to any error or omission by Landlord in the preparation of the Construction Documents ("**City Change Order**"), provided said proposed change is reasonably acceptable to Landlord, Landlord will cause the Architect or Engineer, as applicable, to prepare plans and specifications for the change, addition, or alteration. Within five (5) business days of City's request, Landlord will notify City of the cost that would be incurred resulting from the proposed City Change Order and any delay in the anticipated date of Substantial Completion that would result from the City Change Order. If City approves the cost of the City Change Order within five (5) days of receipt from Landlord, then Landlord's Contractor will proceed with the City Change Order as soon as reasonably practicable. If City does not approve the cost within the five (5)-day period, then construction of the Premises will proceed in accordance with the original completed and approved Construction Documents. City will be responsible for the reasonable cost actually incurred by Landlord in the preparation of the plans and specifications for any City Change Order, as evidenced by invoices or other substantiation reasonably required by City.

(ii) Landlord Change Orders. If after City's approval of the Construction Documents, Landlord requests or is required by a third party or government agency to make any change, addition, or alteration thereto relating to the design or specifications of the Leasehold Improvement Work that is not otherwise a City Change Order ("**Landlord Change Order**"), Landlord will provide City with proposed plans and specifications for the change, addition, or alteration, together with notice of any delay in the anticipated date of Substantial Completion that would result from the Landlord Change Order. Any Landlord Change Order will be subject to City's prior written approval, not to be unreasonably withheld or delayed. No approval by City of any Landlord Change Order will limit any of City's rights or remedies under this Lease. Landlord will be solely responsible for the cost of the Landlord Change Order, and none of the costs for or related to any Landlord Change Order will be paid or deducted from the Allowance.

(g) Delays in Construction.

(i) Unavoidable Delays. For purposes hereof, "**Unavoidable Delays**" shall mean any delays by reason of acts of God, accidents, breakage, repairs, strikes, lockouts,

other labor disputes, inability to obtain labor or materials after using diligent and timely efforts, enemy action, civil commotion, protests, riots, demonstrations, or by any other reason without fault and beyond the reasonable control of the party obligated to perform. In the event of any such delay, the party affected by such delay shall give prompt written notice to the other of the occurrence of such event and the projected delay in performance, and thereafter shall keep the other party regularly informed of the status of such Unavoidable Delay.

(ii) City Delay. Excepting any Unavoidable Delay, City shall be responsible for any actual and reasonable delay in the construction of the Leasehold Improvements to the extent resulting from (x) City Change Orders to the Construction Documents, provided such delay shall be limited to the number of days stated by Landlord in the City Change Order and accepted by City, (y) delays actually caused by City's direct actions or omissions acting in its proprietary capacity (including delays caused by City's need to obtain authorization to fund any costs that exceed the Allowance by more than $100,000), and (z) City's failure to meet the review and approval deadlines specified in this Section 6.1 (each, a "**City Delay**"). A City Delay in the completion of construction of the Leasehold Improvement Work shall result in back-dating the date of Substantial Completion by the number of days comprising the City Delay. Notwithstanding the foregoing, City shall be responsible and the date for Substantial Completion shall be back-dated only to the extent any delays are actually and directly caused by a City Change Order.

(h) Applicability to all Phases. The provisions of this Section 6.1 apply equally to each of the Phase I: Initial Premises, the Phase II: Initial Premises, and each Additional Premises.

6.2 [Intentionally Omitted]

6.3 Installation of Telecommunications and Other Equipment

Landlord and City acknowledge that the Leasehold Improvement Work may include the installation of telecommunications, data, and computer cabling facilities and equipment. The parties will determine whether Landlord or City or a combination of the two, will be responsible for installing those facilities and equipment. Landlord will furnish access to City and its consultants and contractors to the main communications service serving the floor(s) on which the Premises are located and all other parts of the Building where access is needed for proper installation of the facilities and equipment including wiring. City will have the right to enter the Premises and the other portions of the Building at reasonable times during construction of the Leasehold Improvements in order to install the facilities and equipment. City and Landlord will use their good faith efforts to coordinate any all activities to allow the Leasehold Improvements and the installation of the facilities and equipment to be completed in a timely and cost-effective manner. Any installation of such facilities and/or equipment shall be performed by Landlord's MPOE Rising Manager (which is currently Montgomery Tech).

6.4 Construction of Improvements that Disturb or Remove Exterior Paint

Landlord, on behalf of itself and its successors, assigns, and Agents, will comply with all requirements of the San Francisco Building Code Chapter 34 and all other applicable local, state, and federal laws, including the California and United States Occupational and Health Safety Acts and their implementing regulations, when the work or alteration disturbs or removes exterior or interior lead-based or "presumed" lead-based paint (as defined below). Landlord and its Agents

must give to City three (3) business days' prior written notice of any disturbance or removal of exterior or interior lead-based or presumed lead-based paint. Landlord acknowledges that the required notification to the Department of Building Inspection regarding the disturbance or removal of exterior lead-based paint under San Francisco Building Code Chapter 34 does not constitute notification to City as tenant under this Lease and similarly that notice under this Lease does not constitute notice under San Francisco Building Code Chapter 34. Further, Landlord and its Agents, when disturbing or removing exterior or interior lead-based or presumed lead-based paint, will not use or cause to be used any of the following methods: **(a)** acetylene or propane burning and torching; **(b)** scraping, sanding, or grinding without containment barriers or a High Efficiency Particulate Air filter ("**HEPA**") local vacuum exhaust tool; **(c)** hydroblasting or high-pressure wash without containment barriers; **(d)** abrasive blasting or sandblasting without containment barriers or a HEPA vacuum exhaust tool; and **(e)** heat guns operating above 1,100 degrees Fahrenheit. Landlord will comply with the requirements of California Code of Regulations Title 17 when taking measures that are designed to reduce or eliminate lead hazards. Under this Section, paint on the exterior or interior of buildings built before January 1, 1979 is presumed to be lead-based paint unless a lead-based paint test, as defined by San Francisco Building Code Chapter 34, demonstrates an absence of lead-based paint on the interior or exterior surfaces of the buildings. Under this Section, lead-based paint is "disturbed or removed" if the work or alteration involves any action that creates friction, pressure, heat, or a chemical reaction on any lead-based or presumed lead-based paint on a surface so as to abrade, loosen, penetrate, cut through, or eliminate paint from that surface.

7. ALTERATIONS

7.1 Alterations by City

City may not make or permit any alterations, installations, additions, or specialized/non-building standard 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 that do not require a building permit, affect the exterior of the Building, Building Systems, structural integrity of the Building or operations of other tenants, and the repainting and recarpeting of the Premises do not constitute Alterations and do not require Landlord's consent; however, reasonable prior notice of any such work shall be provided by City to Landlord. 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, but will be promptly reimbursed for any reasonable out-of-pocket costs incurred by Landlord for third-party engineers or consultants reasonably required to review the proposed Alterations. City will not be required to remove any Leasehold Improvements or Alterations on the expiration or sooner termination of this Lease unless Landlord notifies City in writing at the time Landlord approves such Leasehold Improvements or Alterations that they must be removed. City is not required to remove any improvements that do not require Landlord's consent.

7.2 Title to Improvements

Except for City's Personal Property (as defined in the next Section) and any Alterations or Leasehold Improvements which City is obligated to remove pursuant to Section 7.1, all appurtenances, fixtures, improvements, equipment, additions, and other property permanently installed in the Premises as of the Effective 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

(a) 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. If City requests, Landlord may assist City by ordering and installing City's Personal Property and after exhaustion of the applicable Leasehold Improvement Work Allowance and/or Moving Allowance, if any, City will reimburse Landlord for all fees, costs, and expenses approved by City in advance within thirty (30) days after receipt of an invoice; provided, however, that City may, in the discretion of the Director of Property, elect to provide any deposit or other expense required at the time of ordering City's Personal Property. To the extent possible, any maintenance contract or warranty in connection with the purchase or lease of tangible personal property will be optional (namely, City may, but is not required to, purchase a maintenance contract or warranty). To the extent feasible, Landlord and any vendors of Landlord will separately itemize any shipping charges. Although Landlord may order and install City's Personal Property, all items will remain City's Personal Property and not be considered Leasehold Improvements or constitute any component of the Leasehold Improvements. With regard to any personal property purchased by Landlord on behalf of City or leased by City under this Lease, (a) Landlord represents, to the best of its actual knowledge, that it is fully compliant with the California Sales and Use Tax Law and warrants to City that Landlord that it will fulfill its use tax obligations under that law with respect to the subject transaction; (b) Landlord will accept a Use Tax Direct Payment Exemption Certificate in lieu of any use tax payment if the City, in its sole discretion, elects to provide such Certificate to Landlord; (c) If the City pays use tax to Landlord, Landlord will remit the entire amount of the use tax payment to the state and provide the City with a receipt in accordance with the California Sales and Use Tax Law; and (d) Landlord will be liable to the City for all amounts of use tax paid to Landlord that Landlord fails to remit to the State. This obligations of Landlord under the foregoing sentence will survive and termination or expiration of the Lease.

(b) 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 and remove that Secured Personal Property at any time during the Term or within thirty (30) days after the Expiration Date. On City's reasonable request, Landlord will execute and deliver any document 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 within thirty (30) days after 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 its commercially reasonable efforts 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. Landlord will use its commercially reasonable efforts to promptly remedy any material interference or disruption on receiving City's notice thereof.

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, 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 use its commercially reasonable efforts to not permit any other tenants of the Building to 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

(a) General. Landlord will furnish the following utilities and services to the Premises: (i) heating, air conditioning, and ventilation in amounts required for City's comfortable use and occupancy of the Premises during normal business hours (which are defined as 7:00 a.m. to 6:00 p.m. Monday through Friday); (ii) passenger elevator service twenty-four (24) hours per day, seven (7) days per week ("**Daily Basis**"); and (iii) water from the municipal water distribution system for lavatory, kitchen and drinking purposes on a Daily Basis. During the Term, City shall have access to the Premises at all times on a Daily Basis, subject to City's compliance with Landlord's reasonable access procedures and Landlord's right to prevent access in the case of an emergency.

(b) Electrical Service Sub-Metering. Landlord shall also provide (or arrange with the appropriate utility to provide) electric current in amounts required for the intended operation of the equipment in the Premises, including computers, air conditioning units, electrified furniture, personal computers, servers and other normal office machines and equipment, along with emergency back-up power. City's electrical loads must not exceed a 1000 KW maximum total electrical load. If necessary, Landlord shall install submeters to measure the electrical use to the Premises. Electrical services to the bike cages (if any) (as described in Section 23.6 below) shall be provided at Landlord's cost (as an Operating Cost, to the extent applicable). City shall be fully responsible for the cost of providing electrical service to the Premises.

(c) After-Hours HVAC and Excess Services. In the event that City requests HVAC, janitorial, security or other services in addition to the services provided by Landlord pursuant to Sections 9.1, 9.2 or 9.4 or if City's use requires additional security services, then City shall pay to Landlord the Landlord's standard fees (as charged to other tenants requesting such additional services, if applicable) for providing such HVAC, janitorial, security or other services. City shall keep Landlord informed in advance of any public meetings in the Building, through use of a monthly calendar or otherwise, that are scheduled outside of the period of 7:00 a.m. to 6:00 p.m., Monday through Friday, or are scheduled on New Year's Day, Martin Luther King Day, Memorial Day, Fourth of July, or Labor Day, so that Landlord and City can agree upon the potential need for additional security services. Notwithstanding the foregoing, if Landlord reasonably determines that additional security services not previously agreed upon are required at any time, it shall notify City of such fact as soon as possible, and City shall either discontinue the meetings, change the time of the meetings, or agree to pay for the additional security services.

(d) Billing Requirements. All costs billed to City under this Article 9 shall be based on Landlord's actual costs without markup.

9.2 Services

(a) **Common Area Janitorial Service.** Landlord shall provide at its cost (as an Operating Cost, after the Base Year, to the extent applicable) janitorial service to the Common Areas in accordance with the specifications contained in **Exhibit E** ("**Standards for Janitorial Services**") attached hereto. Landlord reserves the right to reasonably revise the janitorial services from time to time during the Term, provided that such revised service is sufficient to maintain the Common Areas in a clean and orderly condition and is consistent with the janitorial service provided from time to time in comparable first class high-rise office buildings, and is subject to City's reasonable approval.

(b) **Premises Janitorial Service**. At its cost, Landlord will provide janitorial service to the Premises in accordance with the specifications contained in the attached **Exhibit E** ("**Standards for Janitorial Services**").

(c) **Elevators**. At its cost, Landlord will provide unattended automatic passenger elevator facilities serving the floor(s) on which the Premises are located, on a Daily Basis. Freight elevator service is available on a Daily Basis, subject to Landlord's scheduling rules and the rights of other tenants to use the freight elevator.

(d) **Building Security Service.** Landlord shall provide at its cost (as an Operating Cost, to the extent applicable) security for the Building in accordance with the specifications contained in **Exhibit F** ("**Standards for Security Service**") attached hereto. Landlord reserves the right to reasonably revise the security services from time to time during the Term, consistent with security provided from time to time in comparable first class high-rise office buildings, and in no event for fewer that twenty-four (24) hours per day. Subject to Landlord's prior approval, which approval shall not be unreasonably withheld, conditioned or delayed, City may install and operate its own access control to the Premises, provided that City's access control system shall not interfere with Landlord's access control system of the Building. City acknowledges and agrees that Landlord shall at all times have access to the Premises in the event of an emergency and as reasonably necessary to provide the services to be furnished by Landlord under this Lease.

(e) **Building Graffiti Removal**. Landlord, during normal business hours, shall promptly remove graffiti at its cost (as an Operating Cost, to the extent applicable) from Building surfaces outside the Premises.

(f) **Restrooms**. Upon request, Landlord shall provide access to City (for use by City's employees), on a Daily Basis, to one or more gender neutral restrooms in the Building to be identified by Landlord.

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. In addition, City acknowledges that the Building participates in a Schedule E-Base Interruptible Program that under certain conditions requires the Building to transfer loads to its emergency generators. Landlord shall at all times satisfy the conditions set forth in **Exhibit G** ("**Schedule E-Base Interruptible Program**").

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 reasonably practicable; 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 was not caused by City or any of its Agents and materially impairs City's ability to carry on its business in the Premises ("**City Business**") for **(a)** two (2) or more consecutive 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 without limiting any of City's other rights or remedies under this Lease or at law or in equity, the Rent will be abated based on the extent that the lack of the Essential Services impairs City's Business. The City will send the Landlord written notice stating how the lack of Essential Services has materially impaired City Business and its calculation as to the percentage of City Business that has been materially impaired by the lack of Essential Service ("**Disruption Notice**"). The abatement in Rent will be based on the extent to which the lack of Essential Services materially interferes with City's use of the Premises ("**Abatement Percentage**"). The abatement period ("**Abatement Period**") shall be from the date the Landlord receives the Disruption Notice until the date the City receives written notice from the Landlord (subject to confirmation by City) that the Essential Services have been partially or fully restored to a point where they no longer materially impair City Business ("**Restoration Notice**"). Landlord will use its commercially reasonable best efforts to restore disrupted Essential Services as soon as reasonably practicable. If Landlord disputes whether the lack of Essential Services materially impairs City Business and/or the City's calculation of the Abatement Percentage, then the parties shall promptly proceed as outlined above, provided however, Landlord shall provide written notice to City stating in detail the factual basis of the dispute ("**Dispute Notice**"). The parties shall meet in good faith to resolve the dispute. Notwithstanding the foregoing, other than the foregoing Rent abatement, in no event shall Landlord be liable to City for any loss, cost, expense or damages sustained by City on account of any equipment failure or other impairment to City Business resulting from any interruption of Essential Services that is not within Landlord's reasonable control.

10. COMPLIANCE WITH LAWS; PREMISES CONDITION

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

Subject to City's obligation under Sections 7.1 (Alterations by City) and 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 (collectively, "**Laws**"). Landlord represents and warrants to City, and covenants with City, as follows to the best of Landlord's actual knowledge: **(a)** the physical structure, fixtures, and permanent improvements of the Premises (including the Leasehold Improvements) 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 and parking areas) are now, and as of the Effective 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 Effective 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 Effective 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 Effective Date will be, in compliance with all other applicable Laws; and **(e)** there are not now, and as of the Effective 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 particular use that is not a typical general office use 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, to the extent same 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, **(d)** other than with respect to the sublevel floor (66,056 RSF), be inconsistent with the operation of a first-class building or materially impair Landlord's ability to operate the Building or the tenancy of other occupants of the Building, or **(e)** 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

(a) 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.

(b) 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 to cause any Encumbrancer to execute an SNDA evidencing the foregoing non-disturbance provisions together with the priority or subordination of this Lease with respect to any such Encumbrance.

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 as soon as reasonably practicable (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 by not later than five hundred sixty (560) 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 materially 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 that is not covered by insurance.

(b) Within sixty (60) 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; provided, however, Landlord may terminate this Lease only if it would take more than thirty (30) days to repair the damage.

(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, provided that any

Award shall be consistent with the price to be paid by City to Landlord pursuant to Section 22.1 below.

13.2 General

If during the Term or during the period between the execution of this Lease and the Effective 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, in City's reasonable judgment, renders the remaining portion of the Premises untenantable 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 untenantable 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, 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 (30^{th}) 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 or 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

City shall have the right to sublease or assign all or any part of its interest in or rights with respect to the Premises or its leasehold estate created by this Lease during the Term with Landlord's prior written consent, which will not be unreasonably withheld, conditioned, or delayed. Landlord shall be entitled to retain fifty percent (50%) of any net subleasing or assignment profits after subtracting City's direct costs associated with the subleasing. The above notwithstanding, use of the Premises or sublease(s) by or to any City Departments or City service providers, shall not be subject to Landlord's approval except that the use shall be consistent with the Permitted Uses unless otherwise approved by Landlord in its sole discretion. If a sublease or assignment is proposed for a third party tenant (i.e. not the City or a City service provider), Landlord shall have the right to recapture the subject portion of the Premises.

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 4.14 (Payments by City) above, City fails to make any timely payment of Rent and to cure

the nonpayment within fifteen (15) 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 material 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 written 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 30-day period and diligently prosecutes the cure to completion (provided said cure is completed by no later than 180 days after Landlord's notice).

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:

(a) Terminate this Lease, in which event City shall immediately surrender the Premises to Landlord, and if City fails to do so, Landlord may, without prejudice to any other remedy which it may have for possession or arrearages in Rent, enter upon and take possession of the Premises and expel or remove City and any other person who may be occupying the Premises or any part thereof, provided that such entry, possession, and expulsion must comply with Law; and Landlord may recover from City the following:

(i) The worth at the time of award of any unpaid rent which has been earned at the time of such termination as provided by California Civil Code Section 1951.2; plus

(ii) The worth at the time of award of the amount by which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that City proves could have been reasonably avoided, as computed under subsection (b) of Section 1951.2; plus

(iii) The worth at the time of award of the amount by which the unpaid rent for the balance of the Lease Term after the time or award exceeds the amount of such rental loss that City proves could have been reasonably avoided as allowed by Law; plus

(iv) Any other amount necessary to compensate Landlord for all the detriment proximately caused by City's failure to perform its obligations under this Lease as allowed by Law; and

(v) At Landlord's election, such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time by Law.

The term "rent" as used in this Section 15.2 shall be deemed to be and to mean all charges equivalent to rent required to be paid by City pursuant to the terms of this Lease. As used in Sections 15.2(a)(i) and (ii), above, the "worth at the time of award" shall be computed by allowing interest at the Interest Rate. As used in Section 15.2(a)(iii) above, the "worth at the time of award" shall be computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award plus one percent (1%).

(b) 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.

15.3 Landlord's Default

If Landlord fails to perform any of its obligations under this Lease within thirty (30) days of the date of receipt of City's written notice of the failure, 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 thirty (30) days after the date City gives notice to Landlord of City's intention to perform the cure. However, if a default occurs because of a cause beyond Landlord's control (excluding any financial inability to perform), and 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 one hundred fifty (150) days and 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 one hundred fifty (150)-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), then, whether or not City elects to cure Landlord's default, the Rent will be abated based on the extent to which the default materially 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)** any default by City in the performance of any of its obligations under this Lease, **(b)** City's use of the Premises, or **(c)** any negligent acts or omissions of City or its Agents 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. 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 representation or warranties made by Landlord under this Lease, 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 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 Landlord or its Agents. This right of self-insurance is personal to City and only applies so long as City is the tenant and City or City Providers are the occupants of the Premises.

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 (include 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). 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 to the extent covered by Landlord's property insurance.

(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, Landlord waives any right of recovery against City 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 City's fault or negligence, to the extent the loss or damage is covered by Landlord insurance that is required under this Lease or any excess coverage otherwise held by Landlord or its Agents. Landlord will 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. Likewise, notwithstanding anything to the contrary in the Lease, City waives any right of recovery against Landlord for any loss or damage to City's Personal Property or the Leasehold Improvements or for any personal injury, whether or not the loss is caused by Landlord's fault or negligence to the extent the loss or damage would have been covered by insurance typically carried by a tenant leasing office space in a first-class office building.

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. Landlord may not interfere with City's use of the Premises.

19. ESTOPPEL CERTIFICATES

From time to time during the Term, by not less than twenty (20) 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 Effective Date,

Rent 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), **(d)** the date to which Rent has been paid, **(e)** that the Purchase Option (defined below) has terminated or been waived by City and is of no further force or effect (or, if that is not the case, stating so), and **(f)** any other objective statements regarding the status of the Lease reasonably requested by Landlord.

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 which is not City's obligation to repair. Within ten (10) 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 (other than those Leasehold Improvements that Landlord notified City, at the time of Landlord's approval of the Leasehold Improvements, it would be required to remove upon the expiration or earlier termination of this Lease. 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 actual knowledge, the following statements are true and correct and will be true and correct as of the Effective Date: **(a)** Landlord has received no written notice that the Property is in violation of any Environmental Laws; **(b)** except as identified on **Exhibit L** attached hereto or otherwise disclosed in writing to City's Director of Property, the Property is not now, and to the best of Landlord's actual knowledge 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 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 have building materials that contain any other Hazardous Material except for asbestos-containing materials and lead-based paints as disclosed in **Exhibit H** ("**Disclosure Regarding Asbestos Containing Material and Lead-Based Paint**"), and the Premises or the common areas of the Building do not contain any lead-based paints; **(e)** in accordance with California Health and Safety Code Section 25359.7, there is and has been no Release of any Hazardous Material in the Building or in, on, under, or about the Property except as identified on **Exhibit L** attached hereto or otherwise disclosed in writing to City's Director of 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, unless City or its Agents caused the Release.

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

22.1 Option to Purchase Building

Provided the City has leased and continues to lease a minimum of 400,000 RSF of space within the Building (which number includes space leased by Pre-Existing Tenants pursuant to the Pre-Existing Leases and the Phase I: Initial Premises, Phase II: Initial Premises and each Additional Premises, whether Office Space or Basement Space), the City shall have the option to purchase the Property (the "**Purchase Option**") for a price equal to the greater of $200 per RSF of the Building (the "**Floor Price**") or a price determined through the appraisal process provided in this Section 22.1 (the "**Strike Price**") by giving written notice (the "**Exercise Notice**") to Landlord on or before March 1, 2027 (the "**Strike Date**") for an escrow closing (the "**Closing**") on the earlier to occur of two hundred fifty-five (255) days after the Exercise Notice or December 31, 2027 (the "**Closing Date**"). If City fails to give written notice on or before the Strike Date or to close escrow on or before the Closing Date, then the City's option to purchase shall terminate and forever be null and void. The terms and conditions of the City's purchase of the Building are substantially on the terms set forth on **Exhibit I** (the "**Purchase and Sale Agreement**"), with some of such terms summarized in Sections 22.1 through 22.4, provided that Landlord shall have the right to update the representations and warranties under Section 9.1 of the Purchase and Sale Agreement to the extent of changes in facts and circumstances between the Lease Reference Date and the date the Purchase and Sale Agreement is mutually executed and delivered by and between Landlord and City. In the event of any conflict between the terms of the Purchase and Sale Agreement and Sections 22.1 through 22.4, the Purchase and Sale Agreement shall control. The Purchase and Sale Agreement shall be executed at such time as (i) City has approved of its due diligence review of the Property and all documents relating thereto, and (ii) City has obtained all necessary approvals to execute the Purchase and Sale Agreement.

(a) The parties shall mutually agree upon and select an M.A.I appraiser ("**Appraiser**") from the City's list of approved appraisers no later than thirty (30) days following the date of the delivery of the Exercise Notice by the City to Landlord (the date of the selection of the Appraiser, hereafter referred to as the "**Appraiser Selection Date**"). The current list of City approved appraisers is set forth on **Exhibit K** attached hereto. The Appraiser must have at least five (5) years' experience appraising commercial property and buildings similar in age, location, and quality to the Building in the Civic Center area of San Francisco, CA.

(b) The Appraiser shall determine the fee simple fair market value ("**FMV**") of the Property including the Building and garage located at 1455 Market Street, San Francisco, CA (APN: 3507-040).

(c) The Appraiser shall follow recognized appraisal practices and standards. The parties shall agree to Appraiser's instructions within thirty (30) days of the Effective Date, which instructions shall be attached as part of **Exhibit K** and will be included in the appraisal contract.

(d) The appraisal will be a mutual appraisal, including both the Landlord and the City as the Appraiser's clients. The Appraiser will share the same information and materials,

in the same format and method of delivery, with both parties, and any communication with one party shall (to the extent feasible) be copied or shared with the other party. Both parties shall have a reasonable opportunity to participate in any meetings (whether in person, by phone, or video conference), and to the extent feasible, any in person discussions.

(e) The appraisal report must be complete no later than forty-five (45) days following the Appraiser Selection Date and will be provided to both parties simultaneously. The greater of the FMV as determined by the Appraiser and the Floor Price shall be the Strike Price. The determination of the Strike Price shall not be deemed an amendment to the Lease and will not require additional approval by the Board of Supervisors or Mayor.

22.2 Due Diligence

Landlord shall permit City and its Agents' entry to the Building and the Property for due diligence purposes for sixty (60) days following Landlord's receipt of the Exercise Notice (the "**Due Diligence Period**"). Landlord and City shall enter into Landlord's standard Access Agreement with respect to City's due diligence efforts. City will provide reasonable advance notice to Landlord and shall coordinate such entry with Landlord's property manager, including reasonable cooperation with any existing occupants, regarding City's proposed entry into the Building. City and its Agents shall observe all legally required COVID-19 safety protocols, if any. City shall not perform testing without Landlord's prior written permission, which shall not be unreasonably withheld (provided that Landlord shall have the right to withhold its approval to any proposed invasive testing in Landlord's sole and absolute discretion). If any part of the Building is damaged by the City or its Agents during any such entry, the City will, at no cost to Landlord, promptly repair the damage and restore the Building to its previous condition. Landlord will coordinate any City access with existing tenant(s) to insure minimal disturbance.

22.3 Due Diligence Information

During the Due Diligence Period, Landlord will provide or make available to City all material property information in Landlord's possession or control, including but not limited to, environmental reports and notices, seismic/structural studies, full architectural plans, surveys, property condition assessments, plans, leases, rent rolls, licenses, capital improvement budgets, operating expense reports, service records, any notices or violations received by, local, State or Federal entities, contracts and other building reports and any other material information that may be reasonably requested by the City (collectively "**Due Diligence Information**"), for City review. Nothing in this paragraph shall prevent Landlord, exercising its sole discretion, from voluntarily providing Due Diligence Information prior to the Due Diligence Period upon written request by City to allow City to determine from time to time the suitability of the Building for lease or purchase. Notwithstanding anything to the contrary in this Lease, City acknowledges that it has no right to review any of the following: (i) documents relating to a prior sales process; (ii) any computer software which either is owned by Landlord or licensed to Landlord, or Landlord deems proprietary; (iii) records relating to use of the names "Hudson" and "Hudson Pacific" and "Hudson Pacific Properties", and any derivations or variations thereof, and any trademarks, trade names, brand marks, brand names, trade dress or logos relating thereto; (iv) all accounting and/or any records of Landlord including without limitation tax returns; and (v) appraisals, budgets or financial analyses, documentation pertaining to Landlord's entity, loan documents, internal reports or strategic plans, valuations, other offers or agreements relating to the acquisition or sale of the Property, economic evaluations of the Property, documents pertaining to Landlord's entity, reports

regarding the Property prepared by Landlord or any affiliate of Landlord for the internal use or for the information of the investors in Landlord, and any other proprietary or privileged information not relating to the physical condition of the Property (collectively, "**Privileged Information**")

22.4 Due Diligence Information; Rights Personal to City

(a) Landlord and City agree that all non-public, confidential and proprietary information provided by either party to the other as part of the Due Diligence Information (collectively "**Confidential Information**") will be kept confidential and shall not be shared with any third party without the disclosing party's prior approval; provided, however, that (i) Landlord and the City each shall have the right to disclose Confidential Information to their officers, directors, lenders, attorneys, accountants, partners, consultants, employees, representatives, affiliates and brokers in connection with such party's evaluation and/or reasonable efforts to comply with or enforce the terms of the Purchase Option, if they are informed of the confidential nature of the Confidential Information, (ii) if legally required (including under the California Public Records Act or the San Francisco Sunshine Ordinance), then either party may disclose Confidential Information to the extent required, but shall first provide prompt written notice to the other so that party may seek an appropriate protective order or other remedy, and (iii) Landlord (which for this purpose shall include any of Landlord's affiliates, parents and subsidiaries) shall not be restricted from disclosing any Confidential Information it may be required to in order to comply with regulatory requirements as a publicly traded company on the New York Stock Exchange or any other public exchange (which may include reasonable and customary earnings calls and regulatory filings or similar disclosures made in connection with Landlord's normal course of operations).

(b) City's Purchase Option is personal to City and is not exercisable (i) by any sublessee, assignee or other transferee of City, or (ii) if City is in material default under this Lease following the delivery of notice and expiration of any applicable cure periods.

22.5 Accepted Conditions of Title

(a) Within seven (7) days after the date City delivers to Landlord the Exercise Notice pursuant to Section 22.1, Landlord shall deliver to City a current extended coverage preliminary report on the Property, issued by Chicago Title Insurance Company or other title company designated by City (the "**Title Company**"), accompanied by copies of all documents referred to in the report (collectively, the "**Preliminary Report**");

(b) Within the period referred to in clause (a) above, Landlord shall deliver to City copies of any existing or proposed easements, covenants, restrictions, agreements or other documents that affect the Property, and are not disclosed by the Preliminary Report, or, if Landlord knows of no such documents, a written certification of Landlord to that effect;

(c) City may at its option, arrange for an "as built" survey of the Real Property and Improvements prepared by a licensed surveyor (the "**Survey**"). Such survey shall be acceptable to, and certified to, City and Title Company and in sufficient detail to provide the basis for Title Company to issue to City an ALTA extended coverage owner's policy of title insurance (Form ALTA 2006 – updated 6/17/2006) (the "**Title Policy**") in the amount of the Strike Price without boundary, encroachment or survey exceptions; and

(d) City shall notify Landlord in writing, on or prior to the date that is ten (10) days after receipt of the Preliminary Report from Landlord, what exceptions to title, if any, City is willing to accept (the "**Accepted Conditions of Title**") and which exceptions to title City objects to. Landlord shall have ten (10) days after receipt of City's notice of any objections to title to give City: (A) evidence satisfactory to City of the removal of any of the objectionable exceptions from title or that such exceptions will be removed or cured on or before the Closing; or (B) notice that Landlord elects not to cause such exceptions to be removed. If Landlord gives notice under clause (B), City shall have ten (10) business days (but in no event later that the expiration of the Due Diligence Period) to elect to proceed or to terminate its Purchase Option. If Landlord gives notice pursuant to clause (A) and fails to remove any such objectionable exceptions from title prior to the Closing Date, and City is unwilling to take title subject thereto, Landlord shall not be deemed to be in default hereunder but City's Purchase Option shall terminate and neither party shall have any further obligations under Sections 22.1 – 22, except for those obligations that expressly survive termination.

22.6 Other Due Diligence Matters

(a) City shall review and approve or disapprove, within the Due Diligence Period, of the physical and environmental conditions of the Property, including, without limitation, structural, mechanical, electrical and other physical conditions of the Property. Such review may include an examination for the presence or absence of any Hazardous Material. City shall be responsible for performing or arranging any such reviews at City's expense. City's failure to timely notify Landlord in writing on or before the expiration of the Due Diligence Period of its disapproval of the physical and/or environmental conditions of the Property pursuant to this Section 22.6(a) shall be deemed City's election to approve and waive the condition set forth herein.

(b) City shall review and approve or disapprove, within the Due Diligence Period, of the compliance of the Property with all applicable laws, regulations, permits and approvals. City's failure to timely notify Landlord in writing on or before the expiration of the Due Diligence Period of its disapproval pursuant to this Section 22.6(b) shall be deemed City's election to approve and waive the condition set forth herein.

(c) City shall review and approve or disapprove, within the Due Diligence Period, of (i) the following documents, all to the extent such documents exist and are either in the possession or control of Landlord, or any affiliate of Landlord, or may be obtained by Landlord, or any affiliate of Landlord, through the exercise of commercially reasonable efforts: structural calculations for the Building and its improvements; site plans; certified copies of the as-built plans and specifications for the Building and its improvements; recent inspection reports by Landlord's engineers; service contracts; utility contracts; maintenance contracts; employment contracts, management contracts; brokerage and leasing commission agreements which may continue after Closing; certificates of occupancy; presently effective warranties or guaranties received by Landlord from any contractors, subcontractors, suppliers or materialmen in connection with any construction, repair or alteration of the improvements or any tenant improvements; insurance policies, insurance certificates of tenants, and reports of insurance carriers insuring the Property and each portion thereof respecting the claims history of the Property; environmental reports, studies, surveys, tests and assessments; soils and geotechnical reports; and any other contracts or documents of significance to the Property (collectively, the "**Documents**"); and (ii) such other information relating to the Property that is specifically and reasonably requested by City ("**Other**

Information"), provided Landlord shall have no obligation to provide any such Other Information except to the extent same is within Landlord's possession or control. City's failure to timely notify Landlord in writing on or before the expiration of the Due Diligence Period of its disapproval of the Documents or Other Information pursuant to this Section 22.6(c) shall be deemed City's election to approve and waive the condition set forth herein. The Documents and Other Information shall expressly not include any Privileged Information.

(d) Within seven (7) days after the date City delivers to Landlord the Exercise Notice pursuant to Section 22.1, Landlord shall provide to City and City shall review and approve or disapprove of: (i) all existing and pending leases and other occupancy agreements other than this Lease, that Seller will assign to City, and City will assume at Closing (the "**Leases**"), (ii) tenant correspondence files (to the extent such files are maintained by Seller), and (iii) a current rent roll for the Property, prepared by Seller and listing for each tenant the name, location of leased premises, rent, obligation for reimbursement of expenses, amount of security deposit and rent paid more than thirty (30) days in advance, lease commencement date, lease termination date, lease expansion or extension options, option rent, and cost of living or other rent escalation clauses, any free rent, operating expense abatements or other unexpired concessions, and a description of any uncured defaults. City's failure to timely notify Landlord in writing during on or before the expiration of the Due Diligence Period of its disapproval of Leases and other such information set forth in this Section 6.1(d) shall be deemed City's election to approve and waive the condition set forth herein.

(e) City shall review and approve or disapprove, within the Due Diligence Period, all of the contracts or agreements that Landlord determines are assignable to City. During the Due Diligence Period, City shall notify Landlord of those assignable contracts that City desires to assume on the Closing Date (the "**Assumed Contracts**"). On or before the Closing Date, Landlord shall terminate those assignable contracts that are not Assumed Contracts to the extent Landlord has the right to do so without the payment of any termination fee.

22.7 Temporary Storage Space for City Personal Property

Upon written request by the City, in connection with the City's move to the Phase I: Initial Premises, Landlord shall provide up to one hundred and three thousand (103,000) RSF of secure and dry space within the Building suitable for the storage of City's Personal Property at no cost to the City ("**Temporary Storage Space**"). The Temporary Storage Space shall extend for a period beginning no earlier than Landlord's receipt of the City's written request for storage and shall terminate no later than the Rent Commencement Date for the Phase I: Initial Premises. Landlord and City shall work together in good faith to determine the location and amount of space needed for the Temporary Storage Space. Landlord shall move the City's Personal Property from its current location to the Storage Space pursuant to Section 2.6 of this Lease. Any costs in excess of the then applicable Moving Allowance will be the City's responsibility as part of the City's Moving Contribution.

22.8 Temporary Swing Space

Upon written request by the City, from and after the Effective Date, in connection with the City's move to the Phase I: Initial Premises, Landlord shall provide swing space of approximately 7,660 RSF on the 8th Floor of the Building (collectively, the "**Temporary Swing Space**"). The

Temporary Swing Space is identified on **Exhibit M** attached hereto. The Temporary Swing Space will be substantially in the condition it was in on the Effective Date, provided however, that Landlord, at no cost to the City, shall make minor security modifications such as cameras and/or card readers to secure the Temporary Swing Space (at a cost not to exceed $50,000). Landlord shall permit the City, at City's expense, to provide wired and/or wireless data connection to allow for secure connectivity to the City's data network. The City shall be entitled to use the Temporary Swing Space on a Daily Basis, pursuant to the terms of this Section, as much as it deems necessary until December 31, 2027, except that if there is a pending Additional Premises Notice for such space, the City may use such space until the Rent Commencement Date for the Additional Premises that is the subject of the pending Additional Premises Notice. In lieu of the Temporary Swing Space, Landlord has the right to provide alternative space of similar size and quality upon five (5) business days' prior written notice to City.

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. 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 reasonable efforts to give Landlord reasonable advance notice of the termination.

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)** construction of the Leasehold Improvements (deemed to be 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) pursuant to this Lease), or **(ii)** Covered Construction at the Premises pursuant to this Lease 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) who are doing Leasehold Improvement Work pursuant to this Lease 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 work to the Premises pursuant to this Lease, 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 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 Sections 700 to 713 relating to green building requirements for

the design, construction, and operation of City buildings. Landlord will comply with all applicable provisions of those code sections.

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 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.

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.

23.12 San Francisco Labor and Employment Code.

As of January 4, 2024, San Francisco Administrative Code Chapters 21C (Miscellaneous Prevailing Wage Requirements), 12B (Nondiscrimination in Contracts), 12C (Nondiscrimination in Property Contracts), 12K (Salary History), 12P (Minimum Compensation), 12Q (Health Care Accountability), 12T (City Contractor/Subcontractor Consideration of Criminal History in Hiring and Employment Decisions), and 12U (Sweatfree Contracting) are redesignated as Articles 102 (Miscellaneous Prevailing Wage Requirements), 131 (Nondiscrimination in Contracts), 132 (Nondiscrimination in Property Contracts), 141 (Salary History), 111 (Minimum Compensation), 121 (Health Care Accountability), 142 (City Contractor/Subcontractor Consideration of Criminal History in Hiring and Employment Decisions), and 151 (Sweatfree Contracting) of the San Francisco Labor and Employment Code, respectively. Wherever this Agreement refers to San Francisco Administrative Code Chapters 21C, 12B, 12C, 12K, 12P, 12Q, 12T, or 12U, it shall be construed to mean San Francisco Labor and Employment Code Articles 102, 131, 132, 141, 111, 121, 142, or 151, respectively.

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 by 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 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 and Mayor.

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. Each person executing this Lease on behalf of Landlord, by their signature, 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, that Landlord's executive committee finally approved the terms and conditions of 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, 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 it 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 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 first six (6) months 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 (which holdover rate shall be thereafter increased to one hundred fifty percent (150%) of the monthly Base Rent in effect for the last month of the Term of this Lease), and the tenancy will otherwise be on the terms and conditions contained in this Lease. If, as provided in Section 20 (Surrender of Premises) above, City fails to remove its furniture, furnishings, equipment, City's Personal Property and designated Alterations by the Expiration Date, then City's continued possession will be deemed a holding over but Base Rent will not be payable for a ten (10)-day period so long as City complies with Section 20 (Surrender of Premises) no later than the last day of such ten (10)-day period; if City remains in possession of the Premises beyond that ten (10)-day period, then City's possession will be deemed a holding over and Base Rent will be payable for the entire hold over period as set forth in this Section 24.12.

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 and independent 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 and continues at all times until resolved.

24.16 Signs

City may erect or post interior signs on or about the Premises (which are not visible from the exterior of the Premises), but no signage is permitted in the common areas of the Building (including the main lobby, basement garage, passenger and freight elevators or elevator lobbies) without Landlord's prior written approval as determined by Landlord in its sole discretion. The monument sign located in the front of the Building will include one slot identifying City as a Building tenant, the placement and design of which will be subject to the reasonable approval of Landlord and City. Landlord reserves the right to review and approve the placement, design, and plan of any permitted signage before Tenant may erect or post any interior sign, which review and approval will not be unreasonably withheld or delayed.

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 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), to the extent Landlord breaches its obligations under this Section 24.17, 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 to another financially responsible person or entity, 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, **(b)** Landlord has transferred the Security Deposit to the transferee, and **(c)** 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 via wet signature or via DocuSign and each of which will be deemed an original, but all of which taken together will constitute one and the same instrument.

24.22 Memorandum of Lease

On the Effective Date, Landlord and City will execute the memorandum of lease in the form attached as **Exhibit J** (the "**Memorandum of Lease**"), and Landlord will cause the Memorandum of Lease to be recorded in the Official Records of the City and County of San Francisco within two (2) business days after execution. On termination of the Purchase Option or any Purchase Option agreement, City will execute in recordable form documents as reasonably requested by Landlord to establish that the Property is no longer subject to the option.

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 their legal counsel. No party will be considered the drafter of this Lease, and no presumption or rule that an ambiguity will be construed against the party drafting the clause will apply to the interpretation or enforcement of this Lease.

24.24 Force Majeure

Any prevention, delay or stoppage due to: strikes, lockouts, labor disputes; material acts of God (such as earthquakes, floods, or other natural disasters); industry-wide inability to obtain services, labor, or materials or reasonable substitutes therefor; extraordinary governmental regulations, orders, and laws or civil commotions, beyond the reasonable control of the Party

obligated to perform, except with respect to the obligations imposed with regard to Rent (except as it relates to provisions under which this Lease specifically provides that City is entitled to Rent abatement) and other charges to be paid by City pursuant to this Lease (collectively, the "**Force Majeure Event**"), will excuse the performance of such party for a period equal to any such prevention, delay or stoppage and, therefore, if this Lease specifies a time period for performance of an obligation of either party, that time period will be extended by the period of such delay in such party's performance caused by a Force Majeure Event. No performance of any act will be excused by this Section 24.24 unless the claiming party (i) delivers written notice to the other party of the event of Force Majeure within three (3) business days after the occurrence of the Force Majeure Event; (ii) exhausts all other resources available at reasonable costs to avoid the Force Majeure Event; (iii) uses commercially reasonable efforts to end the failure or delay and ensure the effects of such Force Majeure Event are minimized; (v) resumes the performance of its obligations as soon as reasonably practicable after the Force Majeure Event has ended; and (i) diligently pursues completion of the performance of the act that was prevented, hindered, delayed, or stopped by the Force Majeure Event.

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.

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

LANDLORD:

HUDSON 1455 MARKET STREET, LLC,
a Delaware limited liability company

By: Hudson 1455 Market, L.P.,
a Delaware limited partnership
its Member

By: Hudson 1455 GP, LLC,
a Delaware limited liability company,
its General Partner

By: Hudson Pacific Properties, L.P.
a Maryland limited partnership,
its Member

By: Hudson Pacific Properties, Inc.,
a Maryland corporation,
its General Partner

DocuSigned by:
By: Mark Lammas
Name: Mark Lammas
Title: President
Date: 4/30/2024

CITY:

CITY AND COUNTY OF SAN FRANCISCO,
a municipal corporation

DocuSigned by:
By: Andrico Q. Penick
ANDRICO Q. PENICK
Director of Property

APPROVED AS TO FORM:
DAVID CHIU, City Attorney

DocuSigned by:
By: Elizabeth A. Dietrich
Elizabeth A. Dietrich
Deputy City Attorney

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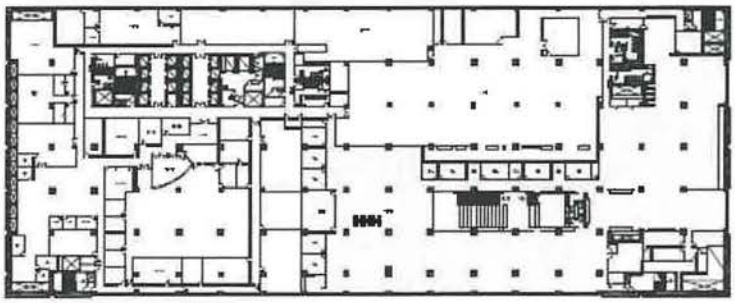
EXHIBIT A

Floor Plan(s) of Initial Premises

CONSISTING OF 5 PAGE(S)

1455 MARKET STREET
LEVEL 07



Shaded Area = Premises

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1455 MARKET STREET
LEVEL 12

Shaded Area = Premises

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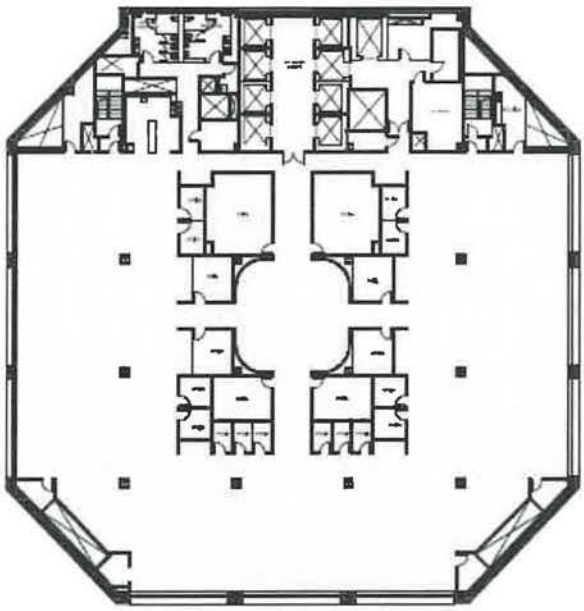
1455 MARKET STREET
LEVEL 13



Shaded Area = Premises

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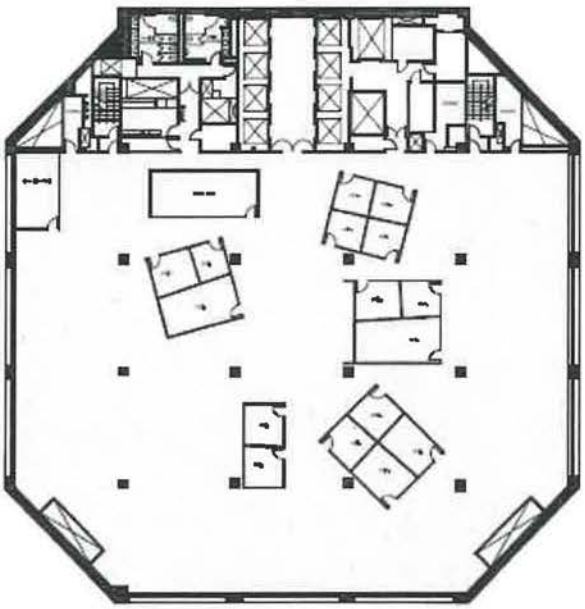
1455 MARKET STREET
LEVEL 16



Shaded Area = Premises

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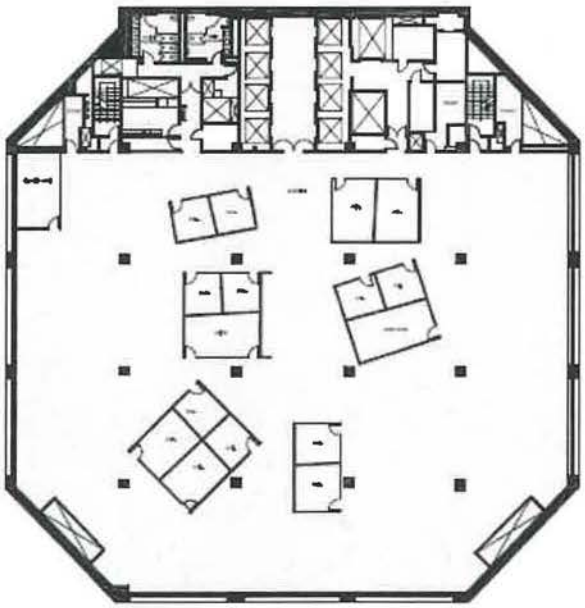
1455 MARKET STREET
LEVEL 17



Shaded Area = Premises

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EXHIBIT B

NOTICE OF EFFECTIVE DATE, LEASE EXPIRATION DATE, RENT COMMENCEMENT DATE, OPERATING EXPENSE PERCENTAGE & BASE YEAR

[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 the Rent Commencement Date, Lease Expiration Date, Rent Commencement Date, OpEx Percentage and Base Year for Lease Between HUDSON 1455 MARKET STREET, LLC, a Delaware limited liability company (Landlord), and the CITY AND COUNTY OF SAN FRANCISCO (City), for Premises known as 1145 Market Street, floors _____, San Francisco, CA

Dear Mr. Penick:

This letter confirms that for all purposes of the Lease, the following dates and percentage apply:

(a) This letter confirms that for all purposes of the Lease, the Effective Date (as defined in Section 3.2(a) of the Lease) is _____.

(b) The Lease Expiration Date (as defined in Section 3.2(c) of the Lease) is _____.

(c) The Rent Commencement Date (as defined in Section 3.2(b) of the Lease) is _____ for (Phase I: Initial Premises) (Phase II: Initial Premises) or Additional Premises).

(d) The City's percentage share of operating expenses (as defined in Section 4.8(a) as of the date of this letter is _____.

(e) The applicable Base Year as of the date of this letter is _____.

Please acknowledge your acceptance of this letter by signing and returning a copy of this letter.

Very truly yours,

_____
By:_____
Title:_____

Accepted and Agreed:

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By: _____
Andrico Q. Penick
Director of Property
Dated: _____

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EXHIBIT C

BUILDING RULES AND REGULATIONS

Tenant shall faithfully observe and comply with the following Rules and Regulations. Landlord shall not be responsible to Tenant for the nonperformance of any of said Rules and Regulations by or otherwise with respect to the acts or omissions of any other tenants or occupants of the Property. In the event of any conflict between the Rules and Regulations and the other provisions of this Lease, the latter shall control.

1. Tenant shall not alter any lock or install any new or additional locks or bolts on any doors or windows of the Premises without obtaining Landlord's prior written consent. Tenant shall bear the cost of any lock changes or repairs required by Tenant. Two keys will be furnished by Landlord for the Premises, and any additional keys required by Tenant must be obtained from Landlord at a reasonable cost to be established by Landlord. Upon the termination of this Lease, Tenant shall restore to Landlord all keys of stores, offices, and toilet rooms, either furnished to, or otherwise procured by, Tenant and in the event of the loss of keys so furnished, Tenant shall pay to Landlord the cost of replacing same or of changing the lock or locks opened by such lost key if Landlord shall deem it necessary to make such changes.

2. All doors opening to public corridors shall be kept closed at all times except for normal ingress and egress to the Premises.

3. 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 San Francisco, California 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. 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. Landlord will furnish passes to persons for whom Tenant requests same in writing. Tenant shall be responsible for all persons for whom Tenant requests passes and shall be liable to Landlord for all acts of such persons. The Landlord and his agents shall in no case be liable for damages for any error with regard to the admission to or exclusion from the Building of any person. In case of invasion, mob, riot, public excitement, or other commotion, Landlord reserves the right to prevent access to the Building or the Property during the continuance thereof by any means it deems appropriate for the safety and protection of life and property.

4. No furniture, freight or equipment of any kind shall be brought into the Building without prior notice to Landlord. All moving activity into or out of the Building shall be scheduled with Landlord and done only at such time and in such manner as Landlord designates. Landlord shall have the right to prescribe the weight, size and position of all safes and other heavy property brought into the Building and also the times and manner of moving the same in

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and out of the Building. Safes and other heavy objects shall, if considered necessary by Landlord, stand on supports of such thickness as is necessary to properly distribute the weight. Landlord will not be responsible for loss of or damage to any such safe or property in any case. Any damage to any part of the Building, its contents, occupants or visitors by moving or maintaining any such safe or other property shall be the sole responsibility and expense of Tenant.

5. No furniture, packages, supplies, equipment or merchandise will be received in the Building or carried up or down in the elevators, except between such hours, in such specific elevator and by such personnel as shall be designated by Landlord.

6. The requirements of Tenant will be attended to only upon application at the management office for the Property or at such office location designated by Landlord. Employees of Landlord shall not perform any work or do anything outside their regular duties unless under special instructions from Landlord.

7. No sign, advertisement, notice or handbill shall be exhibited, distributed, painted or affixed by Tenant on any part of the Premises or the Building without the prior written consent of the Landlord. Tenant shall not disturb, solicit, peddle, or canvass any occupant of the Property and shall cooperate with Landlord and its agents of Landlord to prevent same.

8. 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 thrown therein. The expense of any breakage, stoppage or damage resulting from the violation of this rule shall be borne by the tenant who, or whose servants, employees, agents, visitors or licensees shall have caused same.

9. Tenant shall not overload the floor of the Premises, nor mark, drive nails or screws, or drill into the partitions, woodwork or drywall or in any way deface the Premises or any part thereof without Landlord's prior written consent.

10. Except for vending machines intended for the sole use of Tenant's employees and invitees, no vending machine or machines other than fractional horsepower office machines shall be installed, maintained or operated upon the Premises without the written consent of Landlord.

11. Tenant shall not use or keep in or on the Premises, the Building, or the Property any kerosene, gasoline, explosive material, corrosive material, material capable of emitting toxic fumes, or other inflammable or combustible fluid chemical, substitute or material. Tenant shall provide material safety data sheets for any Hazardous Material used or kept on the Premises.

12. Tenant shall not without the prior written consent of Landlord use any method of heating or air conditioning other than that supplied by Landlord.

13. Tenant shall not use, keep or permit to be used or kept, any foul or noxious gas or substance in or on the Premises, or permit or allow the Premises to be occupied or used in a manner offensive or objectionable to Landlord or other occupants of the Property by reason of noise, odors, or vibrations, or interfere with other tenants or those having business therein,

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whether by the use of any musical instrument, radio, phonograph, or in any other way. Tenant shall not throw anything out of doors, windows or skylights or down passageways.

14. Tenant shall not bring into or keep within the Property, the Building or the Premises any animals (except service animals), birds, aquariums, or, except in areas designated by Landlord, bicycles or other vehicles.

15. No cooking shall be done or permitted on the Premises, nor shall the Premises be used for the storage of merchandise, for lodging or for any improper, objectionable or immoral purposes. Notwithstanding the foregoing, Underwriters' laboratory-approved equipment and microwave ovens may be used in the Premises for heating food and brewing coffee, tea, hot chocolate and similar beverages for employees and visitors, provided that such use is in accordance with all applicable federal, state, county and city laws, codes, ordinances, rules and regulations.

16. The Premises shall not be used for manufacturing or for the storage of merchandise except as such storage may be incidental to the use of the Premises provided for in the Summary. Tenant shall not occupy or permit any portion of the Premises to be occupied as an office for a messenger-type operation or dispatch office, public stenographer or typist, or for the manufacture or sale of liquor, narcotics, or tobacco in any form, or as a medical office, or as a barber or manicure shop, or as an employment bureau without the express prior written consent of Landlord. Tenant shall not engage or pay any employees on the Premises except those actually working for such tenant on the Premises nor advertise for laborers giving an address at the Premises.

17. Landlord reserves the right to exclude or expel from the Property 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.

18. Tenant, its employees and agents shall not loiter in or on the entrances, corridors, sidewalks, lobbies, courts, halls, stairways, elevators, vestibules or any Common Areas for the purpose of smoking tobacco products or for any other purpose, nor in any way obstruct such areas, and shall use them only as a means of ingress and egress for the Premises.

19. Tenant shall not waste electricity, water or air conditioning and 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. Tenant shall participate in recycling programs undertaken by Landlord.

20. 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 such nature that it may not be disposed of in the ordinary and customary manner of removing and disposing of trash and garbage in San Francisco, California 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. If the Premises is or becomes infested with vermin as a result of the use or any misuse or neglect of the Premises by Tenant, its agents, servants, employees, contractors, visitors or licensees, Tenant shall

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forthwith, at Tenant's expense, cause the Premises to be exterminated from time to time to the satisfaction of Landlord and shall employ such licensed exterminators as shall be approved in writing in advance by Landlord.

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

22. Any persons employed by Tenant to do janitorial work shall be subject to the prior written approval of Landlord, and while in the Building and outside of the Premises, shall be subject to and under the control and direction of the Building manager (but not as an agent or servant of such manager or of Landlord), and Tenant shall be responsible for all acts of such persons.

23. No awnings or other projection shall be attached to the outside walls of the Building without the prior written consent of Landlord, and no curtains, blinds, shades or screens shall be attached to or hung in, or used in connection with, any window or door of the Premises other than Landlord standard drapes. All electrical ceiling fixtures hung in the Premises or spaces along the perimeter of the Building must be fluorescent and/or of a quality, type, design and a warm white bulb color approved in advance in writing by Landlord. Neither the interior nor exterior of any windows shall be coated or otherwise sunscreened without the prior written consent of Landlord. Tenant shall be responsible for any damage to the window film on the exterior windows of the Premises and shall promptly repair any such damage at Tenant's sole cost and expense. Tenant shall keep its window coverings closed during any period of the day when the sun is shining directly on the windows of the Premises. Prior to leaving the Premises for the day, Tenant shall draw or lower window coverings and extinguish all lights. Tenant shall abide by Landlord's regulations concerning the opening and closing of window coverings which are attached to the windows in the Premises, if any, which have a view of any interior portion of the Building or Building Common Areas.

24. The sashes, sash doors, skylights, windows, and doors that reflect or admit light and air into the halls, passageways or other public places in the Building shall not be covered or obstructed by Tenant, nor shall any bottles, parcels or other articles be placed on the windowsills.

25. Tenant must comply with requests by the Landlord concerning the informing of their employees of items of importance to the Landlord.

26. Tenant must comply with all applicable "NO-SMOKING" or similar ordinances, rules, laws and regulations.

27. Tenant hereby acknowledges that Landlord shall have no obligation to provide guard service or other security measures for the benefit of the Premises, the Building or the Property. Tenant hereby assumes all responsibility for the protection of Tenant and its agents, employees, contractors, invitees and guests, and the property thereof, from acts of third parties, including keeping doors locked and other means of entry to the Premises closed, whether or not Landlord, at its option, elects to provide security protection for the Property or any portion thereof. Tenant further assumes the risk that any safety and security devices, services and programs which Landlord elects, in its sole discretion, to provide may not be effective, or may

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malfunction or be circumvented by an unauthorized third party, and Tenant shall, in addition to its other insurance obligations under this Lease, obtain its own insurance coverage to the extent Tenant desires protection against losses related to such occurrences. Tenant shall cooperate in any reasonable safety or security program developed by Landlord or required by law.

28. All office equipment of any electrical or mechanical nature shall be placed by Tenant in the Premises in settings approved by Landlord, to absorb or prevent any vibration, noise and annoyance.

29. Tenant shall not use in any space or in the public halls of the Building, any hand trucks except those equipped with rubber tires and rubber side guards.

30. No auction, liquidation, fire sale, going-out-of-business or bankruptcy sale shall be conducted in the Premises without the prior written consent of Landlord.

31. No tenant shall use or permit the use of any portion of the Premises for living quarters, sleeping apartments or lodging rooms.

32. Tenant shall not purchase spring water, towels, janitorial or maintenance or other similar services from any company or persons not approved by Landlord. Landlord shall approve a sufficient number of sources of such services to provide Tenant with a reasonable selection, but only in such instances and to such extent as Landlord in its judgment shall consider consistent with the security and proper operation of the Building.

33. Tenant shall install and maintain, at Tenant's sole cost and expense, an adequate, visibly marked and properly operational fire extinguisher next to any duplicating or photocopying machines or similar heat producing equipment, which may or may not contain combustible material, in the Premises.

Landlord reserves the right at any time to change or rescind any one or more of these Rules and Regulations, or to make such other and 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, Building, the Common Areas and the Property, and for the preservation of good order therein, as well as for the convenience of other occupants and tenants therein. Landlord may waive any one or more of these Rules and Regulations for the benefit of any particular tenants, but no such waiver by Landlord shall be construed as a waiver of such Rules and Regulations in favor of any other tenant, nor prevent Landlord from thereafter enforcing any such Rules or Regulations against any or all tenants of the Property. 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.

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EXHIBIT D

PUBLIC FACING CLIENT SERVICES

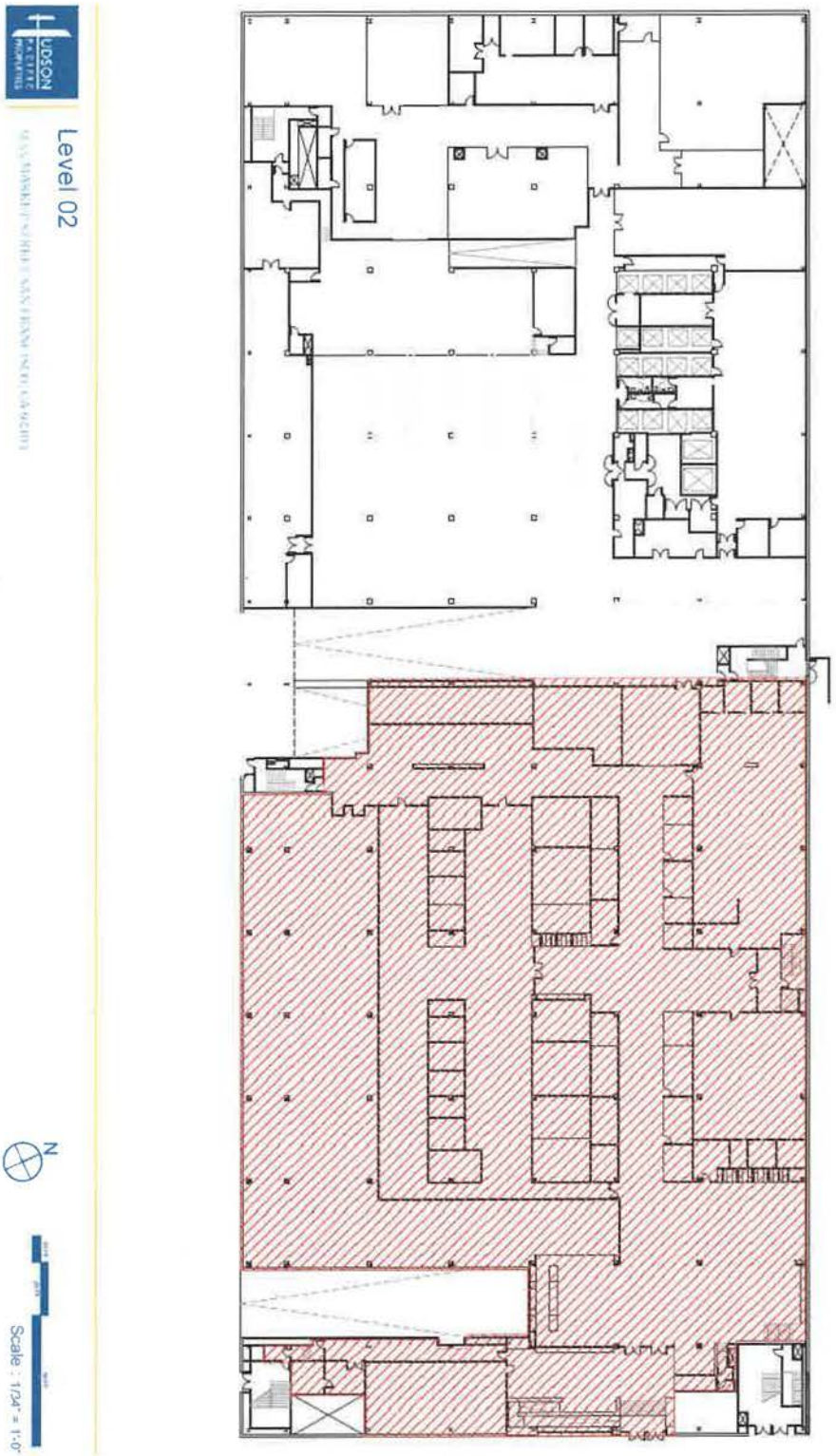

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EXHIBIT E

STANDARDS FOR JANITORIAL SERVICE

1455 MARKET STREET

I. SPECIFICATION OF SERVICES TO BE PERFORMED - SCOPE OF WORK

A. 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, at the above location in accordance with these specifications:

B. All windows and glass broken by Landlord's Contractor will be replaced at no cost to City.

C. Landlord's Contractor must, at all times, maintain adequate staffing that meets these specifications. All employees must wear uniforms (See Section II). City may request Landlord to remove any janitor from the Premises at any time it desires and for any reason whatsoever, and an immediate replacement will be provided. All written notices are to be submitted to:

City and County of San Francisco
Real Estate Division
City and County of San Francisco
25 Van Ness Avenue, Suite 400
San Francisco, California 94102

Attn: Director of Property

D. All services must be performed after 5:00 p.m.

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

F. 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. No supplies or equipment may be stored in the Premises without City's prior approval.

G. City's Recycling Program includes recycling materials from offices in the Building. Bins for recyclable materials can be obtained from City.

H. On or before the Effective Date, Landlord's Contractor will provide a schedule for all periodic services specified in this Exhibit.

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I. Janitorial Service Specifications for Offices and Common Areas.

1. Nightly Services

a. Turn off all lights as soon as possible each night.

b. Vacuum all carpets. Move electric cords to prevent damage to the corner bead.

c. Dust mop all resilient and composition floors with treated dust mops. Damp mop to remove spills and water stains as required.

d. Spot clean any stains on carpet.

e. Dust all desks and office furniture with treated dust cloths.

f. Papers and folders on desks are not to be moved.

g. Sanitize all telephone receivers.

h. Empty all waste paper baskets and other trash containers and remove all trash from floors to the designated trash areas. Sort and put ALL RECYCLABLE MATERIAL into bins provided by City.

i. Remove fingerprints, dirt smudges, graffiti, etc., from all doors, frames, glass partitions, windows, light switches, and walls.

j. Return chairs and waste baskets to proper positions.

k. Clean, sanitize, and polish drinking fountains.

l. Monitor any interior public planters and remove extraneous items.

m. Dust and remove debris from all metal door thresholds.

n. Wipe clean smudged brightwork.

o. Spot clean resilient and composition floors as required.

p. Service all walk-off mats as required.

q. Close all window coverings.

r. Check for burned out lights and replace from building stock (to be supplied by Landlord).

2. Weekly Services

a. Dust all low reach areas including chair rungs, structural and furniture ledges, baseboards, window sills, door louvers, wood paneling, molding, etc.

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b. Dust inside of all door jambs.

c. Clean and polish all metal door thresholds.

d. Wipe clean and polish all brightwork

e. Sweep the service stairwell.

f. Damp mop all vinyl bases.

g. Edge all carpeted areas.

3. Monthly Services

a. Dust all high reach areas including tops of door, frames, structural and furniture ledges, air conditioning diffusers and return grilles, tops of partitions, picture frames, etc.

b. Vacuum upholstered furniture.

c. Move all plastic carpet protectors and thoroughly vacuum under and around all desks and office furniture.

d. Clean and buff all building standard resilient and/or composite flooring.

4. Quarterly Services

a. Shower-scrub or otherwise recondition all resilient or composition flooring to provide a level of appearance equivalent to a completely refinished floor.

b. Wash all chair pads.

5. Semi-Annual Services

a. Vacuum all window coverings.

b. Dust light diffusers.

6. Annual Services

a. Shampoo carpets in offices (schedule to be approved in advance), using products and methods recommended by manufacturer and/or carpet installation contractor.

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J. Rest Room Service Specifications

1. Daily Service

a. Re-stock all rest rooms with supplies from the Landlord's stock, including paper towels, toilet tissue, seat covers, and hand soap, as required.

b. Re-stock all sanitary napkin and tampon dispensers from Contractor's stock, as required.

c. Wash and polish all mirrors, dispensers, faucets, flushometers, and brightwork with non-scratch disinfectant cleaner. Wipe dry all sinks.

d. Wash and sanitize all toilets, toilet seats, urinals, and sinks with non-scratch disinfectant cleaner.

e. Remove stains, scale toilets, urinals, and sinks, as required.

f. Mop all rest room floors with disinfectant, germicidal solution, include scrubbing of all base, inside corners, and hard-to-reach areas.

g. Empty and sanitize all waste and sanitary napkin and tampon receptacles.

h. Remove all rest room trash.

i. Spot clean fingerprints, marks and graffiti from walls, partitions, glass, aluminum, and light switches as required.

j. Check for burned out lights and replace from building stock (supplied by Landlord).

k. Ventilate rest rooms.

2. Weekly Services

a. Dust all low reach and high reach areas, including structural ledges, mirror tops, partition tops and edges, air conditioning diffusers, and return air grilles.

3. Monthly Services

a. Wipe down all walls and metal partitions. Partitions must be left clean and not streaked after this work.

b. Clean all ventilation grilles.

c. Dust all doors and door jambs.

4. Quarterly Services

a. Thoroughly clean and reseal all ceramic tile floors, using approved sealers.

K. Main Floor Elevator Lobbies and Public Corridors Specifications

1. Nightly Services

a. Spot clean all glass including low partitions and the corridor side of all windows and glass doors to City's Premises and other tenants' premises.

b. Spot clean all chrome brightwork including swinging door hardware, kick plates, base partition tops, handrails, waste paper receptacles, planters, elevator call button plates, hose cabinets, and visible hardware on the corridor side of tenant entry doors.

c. Thoroughly clean all door saddles of dirt and debris.

d. Empty, clean, and sanitize all waste paper baskets and refuse receptacles as required.

e. Vacuum and spot clean all carpets as necessary.

f. Spot clean all elevator doors and frames.

L. Exterior Structure and Grounds Services Specifications

1. Daily Service

a. Spot clean accumulations of dirt, papers, and leaves in all corner areas where winds tend to cause collections of debris.

b. Spot clean all exterior glass at building entrances.

c. Lift nap on all entry walk-off mats as necessary with a heavy bristle brush and vacuum.

d. Empty all waste receptacles and remove trash to designated trash areas.

e. Clean sidewalk, steps, and landscaped area, walks and benches; including gum removal.

2. Monthly Weekend Services

a. Steam clean exterior sidewalk and walk way areas.

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M. Carpet Cleaning

1. Provide spot cleaning to tenant space as necessary and shampoo carpets in tenant office space and any common areas once each year (exact schedule to be approved in advance by City).

N. Window Cleaning

1. All work to be performed in accordance with generally accepted industry standards.

2. Proper safety standards are to be maintained at all times, including use of proper warning signs and clean up of water in compliance with all City, State, and Federal laws (including OSHA).

3. Window cleaning standards are to include clean up of water, wipe down of adjacent window mullions and ledges to prevent streaking, spotting, and excessive runoff.

4. When necessary, drop cloths are to be used to prevent damage to floors and adjacent surfaces.

5. Interior and exterior window washing will be scheduled immediately before the Rent Commencement Date. Interior glass will be cleaned not less than once per year. Exterior glass will be cleaned as needed, but not less than once every six months, including May of each year.

6. Contractor will notify City for specific scheduling of window washing one week before scheduled cleaning.

7. Contractor will be responsible for removing paint and putty etc. from both glass and plastic windows.

8. Exterior surfaces of windows are not to be washed when it is raining.

9. The words "window" and "light" as used in this Exhibit are synonymous and are to be construed to mean any pane of glass or glass substitute.

II. UNIFORMS

A. Janitors must wear their uniforms whenever on duty.

B. All personnel, including the coordinator and supervisors, must be uniformed. All personnel must have a visible company name, logo, badge, etc., on their uniform.

III. 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.

IV. SUPPLIES

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 vacuum cleaners, extractors, floor machines, mops, and buckets.

V. 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.

VI. DISPOSITION OF REFUSE

All trash and refuse collected by the custodians will be deposited in a debris box as designated by the Landlord. (Landlord will pay for debris box service).

VII. MAINTENANCE PROBLEMS

Employees of Landlord's Contractor will note maintenance problems (such as broken glass, light bulbs missing or burned out, inoperative fixtures, etc.) and report them to Landlord. Any problem that prevents performance must be noted in the log (Section VIII) before the end of the shift. Contractor will not claim, and City will not entertain, any claim that those problems prevented Contractor's performance if the claim is not entered in the log.

VIII. JANITORIAL LOG

Landlord's Contractor will provide, and City will keep, a janitorial log noting any deficiencies in performance, special problems, or instructions. Landlord's Contractor will check the log daily, as arranged with City, and correct any deficiencies in service within twenty-four (24) hours of the log entry. Contractor will initial and date each entry when deficiency has been corrected.

IX. EMERGENCY CONTACT

Landlord's Contractor will provide City with an emergency telephone number where Contractor may be reached at any time during normal business hours (Monday – Friday, 8:00 a.m. – 5:00 p.m.). Contractor must respond to emergency calls relating to deficiency of service by correcting the deficiency within two hours after receipt of the call.

X. PERFORMANCE

Landlord and its Contractor will guarantee that workmanship required for the performance of this Lease will be in accordance with the highest level of workmanship and accomplished according to the highest professional standards. The determination as to the

adequacy of performance will be made by City or its Director of Property. Contractor or Contractor's agent must be available at reasonable intervals during regular business hours as requested by City, to participate in inspection walk throughs. Contractor will supervise all janitors during all shifts.

XI. VERIFICATION OF SERVICE

City may provide, install, or establish a system of sign off slips, service receipts, or room service sign off cards. Landlord's Contractor will faithfully comply with same by initialing, dating, and indicating time that service was completed. It is agreed that no service has been completed unless signed off by Contractor and countersigned by City if said system so requires.

XII. HOLIDAY SCHEDULE FOR CITY

New Year's Day
Martin Luther King Day
President's Day
Memorial Day
Independence Day
Labor Day
Columbus Day
Veteran's Day
Thanksgiving Day
Friday after Thanksgiving Day
Christmas Day

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EXHIBIT F

STANDARDS FOR SECURITY SERVICE

Landlord will furnish security services as follows:

A. During the Term. Landlord, at its cost, shall furnish security services on a Daily Basis (as defined in Section 9.2(a)) of this Lease to a quality comparable to other high security, 24 hour accessible 1st class office buildings in San Francisco. At a minimum, Landlord shall provide:

I. Security Guards

A. At least one (1) uniformed and trained security guard shall at all times be located at the main lobby and at least one (1) 24/7 roving guard will monitor the other entry point(s) to the Building. During normal working hours one (1) Security Supervisor will be on site and available, as needed, to assist the Lobby Security Guard.

II. Security Cameras

A. Landlord shall maintain central, monitored and recorded video surveillance system.

B. Landlord shall maintain security cameras and video recording equipment with visual feeds to the security desk at each of Building entrance points and in each elevator lobby.

III. Card Access System

A. Landlord shall maintain a card access system, making sure the system registry is up to date not less than every 6 months, which provides only authorized access to the Building and segregated access between the suites of the Premises, the podium and the tower as appropriate.

B. B. Landlord shall maintain card access readers and card entry to building and stand-alone card access readers at each of the Premises floors. Landlord will make reasonable efforts to make such premises card access system readers compatible with the building card access system.

C. Landlord shall supply City with up to 450 registered entry cards.

IV. Visitors

A. All visitors and messengers shall be signed in to the Building and provided access through the Building's visitor access system.

B. All visitors to the 4th through 22nd floors shall be required to be escorted by the hosting tenant.

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V. Vendors

Non pre-approved vendors to the 4th through 22nd floor must be badged and escorted by hosting tenant.

VI. Additional Security

In the event City requires access control services for the Building that exceed the level of access control services provided at first-class multi-tenant office buildings in downtown San Francisco, City may provide such additional services at its own expense, or upon request by City, Landlord shall provide such services, at City's expense. Notwithstanding the foregoing, Landlord shall in no case be liable for personal injury or property damage for any error with regard to the admission to or exclusion from the property of any person, except to the extent arising from the gross negligence or willful misconduct of Landlord or Landlord's employees and agents.

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EXHIBIT G

SCHEDULE E-BASE INTERRUPTIBLE PROGRAM

Landlord participates in the E-BIP Program (Base Interruptible Program) offered by P.G. & E. which provides load reductions on P.G. & E's system on a day-of basis when the California Independent System Operator (CAISO) issues a curtailment notice. Customers enrolled in the Program will be required to reduce their load down to their firm service level (FSL) established in connection with P.G. & E.

Landlord manages the facility's power consumption load to or below levels that have been established with P.G. & E. to reduce the facility's load to or below a level that has been established, which is called the Firm Service Level (FSL) to optimize electrical conservations efforts at this location. This facility has met all of the equipment requirements for participation in this plan.

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 the use of the premises.

Qualification in the E-BIP Program requires that the building respond to notification requests provided from P.G. & E. to curtail power usage at the facility by at least 15 percent of the average monthly load or a minimum of 100 KW, whichever is greater.

Failure to reduce load down to or below our established (FSL) levels at the building during an event will result in substantially increased utility costs. There is a maximum of one (1) event per day and four (4) hours per event. The program will not exceed ten (10) events per month, or (120) hours per year.

This program may be closed by P.G. & E. without notice when the interruptible program limits set forth in the CPUC Decision 01-04-006 and Rulemaking 00-010-002 have been fully subscribed. In accordance with CPUC Decision 09-08-027, service under this schedule is currently capped at 392 MV, which is the enrolled megawatt level established on August 20, 2009.

Landlord's committed to energy conservation is demonstrated by their on-going participation in the various P.G. & E's Customer Energy Efficiency Programs available in the City of San Francisco.

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EXHIBIT H

DISCLOSURE STATEMENT REGARDING ASBESTOS-CONTAINING MATERIALS (ACMs)

Hudson 1455 Market, LLC

DISCLOSURE REGARDING ASBESTOS-CONTAINING MATERIALS

FOR THE PROJECT

Employees, Contractors, Vendors, and Tenants are advised of the following: (1) that asbestos-containing materials ("**ACM**") are known or presumed to be present at the Project, (2) that asbestos fibers if released to the air and inhaled can cause cancer, asbestosis and other serious illnesses, (3) that so long as ACM remains intact and undisturbed, it does not pose a health hazard, (4) that the asbestos content of building materials must be determined before disturbing them and materials found to contain asbestos must not be disturbed, (5) that any removal or abatement of ACM shall be performed only by a licensed asbestos abatement contractor or other trained personnel. and (6) that Owner has implemented an Asbestos Operations and Maintenance Program ("**Asbestos O&M Program**") to safely manage in place the ACM at the Project.

Building materials known or presumed to be ACM include floor tile and mastic, baseboard & mirror mastic, sprayed on fireproofing HVAC duct seam sealant material, floor paper material sandwiched between two layers of wood flooring, roofing materials, window putty and fire rated doors. Other materials may also contain asbestos, such as piping insulation, drywall jointing compound and ceiling tile.

No person is permitted to disturb any building material that may be ACM without prior testing to determine whether or not this material contains asbestos. Since this Project contains ACM, it is your responsibility under applicable federal, state and local laws and regulations to inform any worker employed by your company who will work at this Project and provide any required asbestos awareness training. It is also your responsibility to inform your Subcontractors of the presence and location of ACM at this Project and of their obligations to their own employees.

The Asbestos O&M Program for the Project is available for your review. It was prepared by MACTEC Engineering and Consulting, Inc. dated March 29, 2016. Your review is strongly encouraged. The Asbestos O&M Program includes the results of all asbestos surveys and other asbestos testing that have been conducted at the Project.

Please contact the designated representative, James Soutter, Vice President, Engineering at (650) 200-2933 with any questions, comments, concerns or for more detailed information.

Acknowledgement: I have received and reviewed a copy of this Disclosure Regarding Asbestos-Containing Materials. I will contact the designated representative with any questions or concerns.

_____ _____

Signature Date

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EXHIBIT I

FORM OF PURCHASE AND SALE AGREEMENT

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AGREEMENT OF PURCHASE AND SALE FOR REAL ESTATE

by and between

_____,
as Seller

and

CITY AND COUNTY OF SAN FRANCISCO,
as Buyer

For the purchase and sale of

1455 Market Street
San Francisco, California

[DATE]

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AGREEMENT OF PURCHASE AND SALE FOR REAL ESTATE
(1455 Market Street, San Francisco)
(APN 3507 / 040)

THIS AGREEMENT OF PURCHASE AND SALE FOR REAL ESTATE (this "Agreement") dated for reference purposes only as of _____, 20___ is by and between _____, a Delaware limited liability company, ("**Seller**"), and the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation ("**Buyer**" or "**City**").

IN CONSIDERATION of the payment of the non-refundable sum of _____ Dollars ($_____) by City, the receipt of which is hereby acknowledged by Seller, and the respective agreements contained herein below, and the terms and provisions of that certain lease with the Seller as Landlord and the City as Tenant dated May 1, 2024 ([as amended, if applicable] the "**City Lease**"), Seller and City agree as follows:

25. PURCHASE AND SALE

25.1 Property Included in Sale

Seller agrees to sell and convey to City, and City agrees to purchase from Seller, subject to the terms, covenants and conditions hereinafter set forth, the following:

(a) the real property consisting of approximately 131,147 square feet or 3.01 acres of land, located in the City and County of San Francisco, commonly known as 1455 Market Street, Assessor Parcel Number Block 3507, Lot 040, and more particularly described in Exhibit A attached hereto (the "Land");

(b) all improvements and fixtures located on the Land, including, without limitation, that certain twenty-two (22) story office building containing approximately one million one hundred twenty three thousand eight hundred seventy six (1,123,876) square feet of net rentable area (the "Building"), as well as all other buildings and structures located on the Land, all apparatus, equipment and appliances used in connection with the operation or occupancy of the Land and its improvements such as heating and air conditioning systems and facilities used to provide any utility, refrigeration, ventilation, garbage disposal or other services and together with all on-site parking (currently, approximately [___] parking spaces) (collectively, and including the Building, the "Improvements");

(c) any and all rights, privileges, and easements incidental or appurtenant to the Land or Improvements, including, without limitation, any and all minerals, oil, gas and other hydrocarbon substances on and under the Land, as well as any and all development rights, air rights, water, water rights, riparian rights and water stock relating to the Land, and any and all easements, rights-of-way or other appurtenances used in connection with the beneficial use and enjoyment of the Land or Improvements, and any and all of Seller's right, title and interest in and to all roads and alleys adjoining or servicing the Land or Improvements (collectively, the "Appurtenances");

(d) the personal property described on Exhibit B attached hereto owned by Seller, and agreed to be assumed by City, located on and used in connection with the Land or Improvements (the "Personal Property");

(e) any intangible personal property described on Exhibit B attached hereto now or hereafter owned by Seller and used in the ownership, use or operation of the Land, Improvements, or Personal Property, but excluding the Privileged Information (as defined in the City Lease) (collectively, the "Intangible Property");

(f) all contracts, warranties and guaranties described on Exhibit B attached hereto and agreed to be assumed by City pursuant to the terms of the City Lease (the "Assumed Contracts") and the leases and occupancy agreements described on Exhibit J attached hereto and agreed to be assumed by City (the "Leases").

All of the items referred to in Subsections (a), (b), (c), (d), (e) and (f) above are collectively referred to as the "**Property**". .

26. PURCHASE PRICE

26.1 Purchase Price

The total purchase price for the Property is [Dollars ($) PRICE TO BE DETERMINED BY APPRAISER PER SECTION 22.1 AND EXHIBIT K OF THE CITY LEASE] (the "**Purchase Price**").

26.2 Payment

On the **Closing Date** (as defined in Section 7.2, Closing Date), City shall pay the Purchase Price, adjusted pursuant to the provisions of Article 8 Expenses and Taxes, and reduced by any credits due City hereunder.

Seller acknowledges and agrees that if Seller fails at Closing to deliver to City the documents required under Sections 7.3(f) and 7.3(g) Seller's Delivery of Documents, City may be required to withhold a portion of the Purchase Price pursuant to Section 1445 of the United States Internal Revenue Code of 1986, as amended (the "**Federal Tax Code**"), or Section 18662 of the California Revenue and Taxation Code (the "**State Tax Code**"). Any amount properly so withheld by City shall be deemed to have been paid by City as part of the Purchase Price, and Seller's obligation to consummate the transaction contemplated herein shall not be excused or otherwise affected thereby.

26.3 Funds

All payments made by any party hereto shall be in legal tender of the United States of America, paid in cash or by wire transfer in immediately available funds to Title Company (as defined in Section 3.2), as escrow agent.

2.4 Nominee

City may choose to finance the acquisition of the Property with proceeds from the issuance, sale and delivery of certificates of participation, a financing mechanism that will require fee simple title to be taken in the name of a nominee of City (the "**Nominee**") which, as landlord, will lease the Property to City. Seller hereby consents to the use of a nominee to take title, and further consents to City's assignment to the Nominee of City's rights under this Agreement. Seller will cooperate with City and will execute and deliver to City such documents as are reasonably necessary in connection with such certificates of participation.

[NTD: SELLER NEEDS TO LIMIT CITY'S ABILITY TO HAVE AN UNRELATED THIRD PARTY PURCHASE THE PROPERTY]

27. TITLE TO THE PROPERTY

27.1 Conveyance of Title to the Property

At the Closing, Seller shall convey to City, or its Nominee, marketable and insurable fee simple title to the Land, the Improvements, and the Appurtenances, by duly executed and acknowledged grant deed in the form attached hereto as Exhibit C (the "**Deed**"), subject to the Accepted Conditions of Title (as defined in the City Lease and as otherwise modified pursuant to the terms of this Agreement).

27.2 Title Insurance

(a) Prior to the Effective Date, Seller has delivered to City and City has reviewed a current standard coverage preliminary report on the Property, issued by a title company designated by City and reasonably approved by Seller (the "**Title Company**"), accompanied by copies of all documents referred to in the report (collectively, the "**Preliminary Report**"), and City has notified Seller in writing what exceptions to title, if any, City is willing to accept (provided City has acknowledged that the Accepted Conditions of Title shall not be removed from title).

(b) City may arrange for a Survey (as defined in the City Lease). Such Survey shall be acceptable to, and certified to, City and Title Company and in sufficient detail to provide the basis for the Title Policy (defined below) without boundary, encroachment or survey exceptions.

(c) At Closing, delivery of title shall be evidenced by the commitment of the Title Company to issue to City an ALTA or other standard coverage owner's policy of title insurance (the "**Title Policy**") in the amount of the Purchase Price, or in the City's sole discretion, in the total amount of the certificates of participation referred to in Section 2.4 above, insuring fee simple title to the Land, the Appurtenances, and the Improvements in City (or its Nominee) and subject only to the Accepted Conditions of Title. At City's option, if City obtained the Survey, as set forth above, City may elect for the Title Policy to be an ALTA or other extended coverage policy of leasehold title insurance. The Title Policy shall provide full coverage against mechanics' and materialmen's liens arising out of the construction, repair or alteration of any of the Property, and shall contain an affirmative endorsement that there are no violations of restrictive covenants,

if any, affecting the Property and such other special endorsements as City may reasonably request. The Title Policy shall also provide for commercially reasonable reinsurance with direct access with such companies and in such amounts as City may reasonably request.

27.3 Bill of Sale

At the Closing, Seller shall transfer title to the Personal Property by bill of sale in the form attached hereto as Exhibit D (the "**Bill of Sale**"), such title to be free of any liens, encumbrances or interests. To the extent possible, any maintenance contract or warranty in connection with the purchase of the Personal Property will be optional (namely, City may, but is not required to, purchase any maintenance contract or warranty), and included in the Assignment of Intangible Property (defined below).

27.4 Assignment of Intangibles

At the Closing, Seller shall transfer title to the Assumed Contracts and the Intangible Property by an assignment of Intangible Property in the form attached hereto as Exhibit E (the "**Assignment of Intangible Property**").

27.5 Assignment of Leases

At the Closing, Seller shall transfer its title to the Leases by an assignment of leases in the form attached hereto as Exhibit F (the "**Assignment of Leases**"), such title to be free of any liens, encumbrances or interests, except for the Accepted Conditions of Title. City and Seller agree that upon consummation of the Closing, the City Lease will merge with City's title and will terminate by operation of law.

28. CITY'S DUE DILIGENCE

As of the date hereof, Seller has given City and/or its Agents a full opportunity to investigate the Property as provided in the City Lease, and Seller has provided the Due Diligence Information (as defined in the City Lease and excluding any Privileged Information) to City and its Agents pursuant to the terms of the City Lease. City acknowledges and agrees that it has received the Due Diligence Information (as defined in the City Lease) and hereby waives any condition to Closing that may have been predicated upon the City's receipt and/or approval of such Due Diligence Information.

29. ENTRY

At all times prior to the Closing Date, Seller shall afford City and its Agents reasonable access to the Property for the purposes of satisfying City with respect to the representations, warranties and covenants of Seller contained herein and the satisfaction of the City Conditions Precedent. City will provide reasonable advance notice to Seller and shall coordinate such entry with Seller's property manager, including reasonable cooperation with any existing occupants, regarding City's proposed entry into the Building. City and its Agents shall observe all legally required COVID-19 safety protocols, if any. City shall not perform any testing without Seller's prior written permission, which shall not be unreasonably withheld (provided that Landlord shall have the right to withhold its approval to any proposed invasive testing in Landlord's reasonable discretion). If any part of the Building is damaged by the City or its Agents during any such entry, the City will, at no cost to Seller, promptly repair the damage and restore the Building to its previous condition. Seller will coordinate any City access with existing tenant(s) to insure minimal disturbance.

30. CONDITIONS TO CLOSING

30.1 City's Conditions to Closing

The following are conditions precedent to City's obligation to purchase the Property (collectively, "**City Conditions Precedent**"):

(a) Subject to the terms of the City Lease and this Agreement, City has reviewed and approved or disapproved all exceptions to title during the Due Diligence Period (as defined in the City Lease). In the event that any new title exception appears on title between the Effective Date and the Closing Date (each, a "New Exception"), Title Company will deliver to City a supplement or supplements to the Preliminary Report (a "Supplemental Report"). City's review and acceptance of or objection to any New Exceptions in a Supplemental Report shall be in City's sole discretion. If City accepts any New Exceptions, such New Exceptions will be deemed to be included in the Accepted Conditions of Title. If City objects to any New Exceptions, City shall have ten (10) business days from receiving the Supplemental Report to object by written notice to Seller (a "Title Objection Notice"). If City does not timely deliver a Title Objection Notice, such New Exceptions shall be deemed disapproved. Following receipt of a Title Objection Notice, Seller shall have three (3) business days to notify City if Seller elects to cure such New Exceptions identified in City's Title Objection Notice on or prior to the Closing Date (a "Title Objection Response").

(b) On or before Closing, Seller will have removed or insured (with City having a reasonable approval over the form of on any such insurance/endorsement) over all exceptions in the Preliminary Report except the Accepted Conditions of Title (which shall include title exceptions approved by City during the Due Diligence Period, as well all exceptions Seller expressly notifies City during the Due Diligence Period that it will not remove). Notwithstanding the foregoing, in the event Seller (acting in good faith) fails to remove or insure over any such objectionable exceptions from title prior to the Closing Date, and City is unwilling to take title subject thereto, Seller shall not be deemed to be in default hereunder but this Agreement shall

terminate and neither party have any further obligations under this Agreement except for those obligations that expressly survive termination.

(c) There have been no materials changes in the Property's compliance with all applicable laws, regulations, permits, and approvals since the Effective Date.

(d) At or before the Closing, Seller has terminated any existing leases, occupancy agreements, contracts, or other agreements that City has not agreed to assume, without liability to City; provided that Seller is able to terminate such existing leases, occupancy agreements, contracts, or other agreements prior to the Closing Date without financial penalty or liability to Seller.

(e) Seller has obtained and delivered to City, before the Closing Date, tenant estoppel certificates in substantially the form attached hereto as Exhibit G (with reasonable modifications made by tenants) or in such other form which a particular tenant is required to execute pursuant to its lease, provided that the form of any tenant estoppel certificate (or Seller estoppel) shall be deemed substantially in the form of that attached hereto as Exhibit G even if Paragraphs 10 and 13 thereof have been deleted). Notwithstanding the foregoing, to the extent Seller is unable, despite its commercially reasonable efforts, to obtain estoppel certificates from all tenants at the Property, Seller shall warrant and represent to City, with respect to such missing estoppel certificates, as of the date represented and warranted: (A) that the lease(s) for those tenants are in full force and effect; (B) the amount of the tenants' security deposits; (C) the dates through which rent has been paid; and (D) that, to Seller's knowledge, neither of such tenants nor Seller is in default under the Leases (or noting such default(s)). City shall be obligated to accept such a certification in lieu of any such missing estoppel certificates. Subject to the terms of this Agreement, the representations and warranties in the certificate of Seller shall survive the Closing for the Survival Period (defined below).

(f) Seller is not in material default in the performance of any covenant or agreement to be performed by Seller under this Agreement, and all of Seller's representations and warranties contained in or made pursuant to this Agreement shall have been true and correct when made and shall be true and correct, in all material respects and subject to the provisions of this Agreement, as of the Closing Date. At the Closing, Seller shall deliver to City a certificate certifying that each of Seller's representations and warranties contained in Section 9.1 [Representations and Warranties of Seller] below are true and correct, in all material respects and subject to the provisions of this Agreement, as of the Closing Date.

(g) The physical and environmental condition of the Property is substantially the same on the Closing Date as on Effective Date, reasonable wear and tear and loss by casualty excepted (subject to the provisions of Section 9.1 [Risk of Loss]), and, as of the Closing Date, there shall be no litigation or administrative agency or other governmental proceeding, pending or threatened, which after the Closing would materially adversely affect the value of the Property or the ability of City to operate the Property for its use as an office building and no proceedings shall be pending or threatened which could or would cause the change, redesignation or other material modification of the zoning classification of, or of any building or environmental code requirements applicable to, the Property.

(h) Title Company is committed at the Closing to issue to City, or its Nominee, the Title Policy as provided in Section 3.2 [Title Insurance].

(i) The City's Mayor and the Board of Supervisors, in the respective sole discretion of each, shall have enacted a resolution approving, adopting and authorizing this Agreement and the purchase contemplated thereby; provided, however, City acknowledges and agrees that its execution of this Agreement shall satisfy the City Condition Precedent set forth in this Section 6.1(i).

(j) Seller has delivered the items described in Section 7.3 below [Seller's Delivery of Documents] on or before the Closing in form and substance satisfactory to City.

(k) Title Company has agreed to be the real estate reporting person for the Closing in compliance with the Reporting Requirements (as defined in Section 7.6 below [Title Company as Real Estate Reporting Person]) on or before Closing.

The City Conditions Precedent are solely for the benefit of City. If any City Condition Precedent is not satisfied on or before Closing, City will have the right in its sole discretion either to waive in writing the City Condition Precedent in question and proceed with the purchase or, in the alternative, terminate this Agreement. The waiver of any City Condition Precedent will not relieve Seller of any liability or obligation with respect to any representation, warranty, covenant, or agreement of Seller (except as otherwise expressly provided in this Agreement).

30.2 Cooperation with City

Seller will cooperate with City and do all acts as may be reasonably requested by City with regard to the fulfillment of any City Conditions Precedent at no out-of-pocket cost to Seller including, without limitation, execution of any documents, applications or permits, which documents, applications or permits shall be subject to commercially reasonable modifications negotiated by Seller and approved by City and shall, in no event, affect the Property until after Closing. Seller hereby irrevocably authorizes City and its Agents to make all inquiries with to any person or entity, including, without limitation, any regulatory authority with jurisdiction as City may reasonably require to complete its due diligence investigations.

30.3 Seller Conditions to Closing.

The following are conditions precedent to Seller's obligation to sell the Property (collectively, "**Seller Conditions Precedent**"):

(a) City shall not be in material default in the performance of any covenant or agreement to be performed by City under this Agreement, and all of City's representations and warranties contained in or made pursuant to this Agreement shall have been true and correct when made and shall be true and correct, in all material respects and subject to the provisions of this Agreement, as of the Closing Date;

(b) City shall have delivered the items described in Section 7.4 below on or before the Closing.

The conditions set forth in this Section 6.3 are solely for the benefit of Seller and may be waived only by Seller. Seller shall at all times have the right to waive any condition. If any of the conditions in this Section 6.3 is not satisfied or has not been so waived by Seller prior to the scheduled Closing Date, Seller shall deliver written notice to City describing the condition that has not been satisfied or waived, and if such condition remains unsatisfied as of the scheduled Closing Date, then, subject to the provisions of Section 12 of this Agreement, if applicable, Seller shall have the right to terminate this Agreement by written notice to City. If Seller terminates this Agreement in accordance with the foregoing, neither party shall have any further rights or obligations under this Agreement, except for those rights or obligations which expressly survive the termination of this Agreement.

31. ESCROW AND CLOSING

31.1 Opening of Escrow

On or before the Effective Date (as defined in Article 14 [General Provisions]), the parties shall open escrow by depositing an executed counterpart of this Agreement with Title Company, and this Agreement shall serve as instructions to Title Company as the escrow holder for consummation of the purchase and sale contemplated hereby. Seller and City agree to execute such additional or supplementary instructions as may be appropriate to enable the escrow holder to comply with the terms of this Agreement and close the transaction; provided, however, that in the event of any conflict between the provisions of this Agreement and any additional supplementary instructions, the terms of this Agreement shall control.

31.2 Closing Date

The consummation of the purchase and sale contemplated hereby (the "**Closing**") shall be held and delivery of all items to be made at the Closing under the terms of this Agreement shall be made at the offices of Title Company on the date that is forty-five (45) days following the Effective Date (the "**Anticipated Closing Date**") (but in no event later than the earlier of December 31, 2027 and the date which is two hundred fifty-five (255) days after the delivery by City to Seller of the Exercise Note (as defined in Section 22.1 of the City Lease)) , or on such earlier date as City and Seller may mutually agree (the "**Closing Date**"), subject to the provisions of Article 6 [Conditions Precedent]. The Closing Date may not be extended without the prior written approval of both Seller and City. In the event the Closing does not occur on or before the Closing Date, Title Company shall, unless it is notified by both parties to the contrary within five (5) days after the Closing Date, return to the depositor thereof items which may have been deposited hereunder. Any such return shall not, however, limit the provisions hereof or otherwise relieve either party hereto of any liability it may have for its wrongful failure to close.

31.3 Seller's Delivery of Documents

At or before the Closing, Seller shall deposit with Title Company, through escrow, the following:

(a) a duly executed and acknowledged Deed;

(b) a duly executed Bill of Sale;

(c) Intentionally Omitted;

(d) four (4) duly executed original counterparts of the Assignment of Leases;

(e) duly executed tenant estoppel certificates as required pursuant to Section 6.1(d) hereof;

(f) four (4) duly executed counterparts of the Assignment of Intangible Property;

(g) originals (to the extent existing and within Seller's control) of the Leases and Assumed Contracts not previously delivered to City;

(h) a properly executed affidavit pursuant to Section 1445(b)(2) of the Federal Tax Code in the form attached hereto as Exhibit H, and on which City is entitled to rely, that Seller is not a "foreign person" within the meaning of Section 1445(f)(3) of the Federal Tax Code;

(i) a properly executed California Franchise Tax Board Form 593 certifying that Seller is a California resident if Seller is an individual or Seller has a permanent place of business in California or is qualified to do business in California if Seller is a corporation or other evidence satisfactory to City that Seller is exempt from the withholding requirements of Section 18662 of the State Tax Code;

(j) such resolutions, authorizations, or other partnership documents or agreements relating to Seller and its partners as City or the Title Company may reasonably require to demonstrate the authority of Seller to enter into this Agreement and consummate the transactions contemplated hereby, and such proof of the power and authority of the individuals executing any documents or other instruments on behalf of Seller to act for and bind Seller;

(k) closing statement in form and content satisfactory to City and Seller; and

(l) the duly executed certificate regarding the continued accuracy of Seller's representations and warranties as required by Section 6.1(f) hereof.

31.4 City's Delivery of Documents and Funds

At or before the Closing, City, or the Nominee, shall deliver to Seller through escrow the following:

(a) an acceptance of the Deed executed by City's Director of Property;

(b) four (4) duly executed original counterparts of the Assignment of Leases;

(c) four (4) duly executed original counterparts of the Assignment of Intangible Property;

(d) a closing statement in form and content satisfactory to City and Seller; and

(e) the Purchase Price, as provided in Article 2 hereof.

31.5 Other Documents

Seller and City shall each deposit such other instruments as are reasonably required by Title Company as escrow holder or otherwise required to close the escrow and consummate the purchase of the Property in accordance with the terms hereof. On or before the Closing Date, City shall deliver to the Title Company a statement for delivery to the County Tax Assessor in the form attached as Exhibit I (the "**Property Exemption Notice**"). Upon Closing, the Title Company will insert the Closing Date in the Property Exemption Notice and send the Property Exemption Notice to the County Tax Assessor in the jurisdiction in which the Property is located.

31.6 Title Company as Real Estate Reporting Person

Section 6045(e) of the United States Internal Revenue Code of 1986 and the regulations promulgated thereunder (collectively, the "**Reporting Requirements**") require that certain information be made to the United States Internal Revenue Service, and a statement to be furnished to Seller, in connection with the Closing. Seller and City agree that if the Closing occurs, Title Company will be the party responsible for closing the transaction contemplated in this Agreement and is hereby designated as the real estate reporting person (as defined in the Reporting Requirements) for such transaction. Title Company shall perform all duties required of the real estate reporting person for the Closing under the Reporting Requirements, and Seller and City shall each timely furnish Title Company with any information reasonably requested by Title Company and necessary for the performance of its duties under the Reporting Requirements with respect to the Closing.

32. EXPENSES AND TAXES

32.1 Rent and Other Apportionments

The following are to be apportioned through escrow as of the Closing Date:

(a) Rent

Rent under the Leases shall be apportioned as of the Closing Date on a cash received basis. No apportionment shall be made with respect to any delinquent rents of any kind receivable from the Leases for any period prior to Closing. With respect to any rent arrearage arising under the Leases, after the Closing, City shall pay to Seller any rent actually collected which is applicable to the period preceding the Closing Date; provided, however, that all rent collected by City shall be applied first to all unpaid rent accruing on and after the Closing Date, and then to unpaid rent accruing prior to the Closing Date. City shall not be obligated to take any steps to recover any rent arrearage; provided, however, Seller will retain all ownership rights relating to any such delinquent rents or income and if City has not collected the same within ninety (90) days from the Closing Date, then Seller may take such action as it deems necessary to collect such delinquent rents or other income, including the commencement of an action against the tenants under the Leases or any other person liable for such delinquent rents, but not including any

action for unlawful detainer or other action seeking to terminate such tenant's occupancy of its premises.

(b) Leasing Costs

Seller shall pay all leasing commissions and tenant improvement costs or allowances ("**Leasing Costs**") accrued in connection with the current term of those Leases executed on or before the Closing (including, without limitation, leasing commissions attributable to expansion or extension options contained in any Lease executed prior to the Effective Date which are not exercised until after the Effective Date but prior to Closing) and (ii) City shall pay for any Leasing Costs relating to or arising from (i) the exercise by any tenant, after the Closing Date, of a renewal, expansion or extension option contained in any of the Leases executed as of the Effective Date and (ii) any New Lease (defined in Section 11.2 below) entered into after the Effective Date with City's approval thereof. If, on the Closing, there are any outstanding or unpaid Leasing Costs which are the responsibility of Seller as set forth herein, then on the Closing City shall be entitled to a credit toward the payment of the Purchase Price at Closing in the amount of such unpaid Leasing Costs, and following the Closing (A) City shall assume and be responsible for the payment of such Leasing Costs to the extent of such credit, and (B) Seller shall assign to City any and all construction contracts relating to such outstanding Leasing Costs.

(c) Other Tenant Charges

Where the Leases contain tenant obligations for taxes, common area expenses, operating expenses or additional charges of any other nature, and where Seller shall have collected any portion thereof in excess of amounts owed to Seller for such items for the period prior to the Closing Date, there shall be an adjustment and credit given to City on the Closing Date for such excess amounts collected. City shall apply all such excess amounts to the charges owed by City for such items for the period after the Closing Date and, if required by the Leases, shall rebate or credit tenants with any remainder. If it is determined that the amount collected during Seller's ownership period exceeded expenses incurred during the same period by more than the amount previously credited to City at Closing, then Seller shall promptly pay the deficiency to City.

(d) Utility Charges

Seller shall use commercially reasonable efforts to cause all the utility meters to be read on the Closing Date and will be responsible for the cost of all utilities used prior to the Closing Date. All utility deposits paid by Seller shall remain the property of Seller and City shall reasonably cooperate to cause such deposits to be returned to Seller to the extent Seller is entitled thereto.

(e) Security Deposits

City shall be credited and Seller shall be charged with the balance of any unapplied security deposits then held by Seller under the Leases.

(f) Other Apportionments

Amounts payable under any contracts assumed pursuant hereto, annual or periodic permit or inspection fees (calculated on the basis of the period covered), and liability for other normal Property operation and maintenance expenses and other recurring costs shall be apportioned as of the Closing Date.

32.2 Closing Costs

City shall pay (a) the cost of the Survey, (b) the premium for the Title Policy and the cost of the endorsements thereto, (c) one half of Title Company's fees, (d) all document recording fees; and (d) City's share of apportionments. Seller shall pay the cost of any transfer taxes applicable to the sale and the sales tax on any Personal Property. Seller shall be responsible for all costs incurred in connection with the prepayment or satisfaction of any loan, bond or other indebtedness secured by the Property including, without limitation, any prepayment fees, penalties or charges. Any other costs and charges of the escrow for the sale not otherwise provided for in this Section or elsewhere in this Agreement shall be allocated in accordance with the closing customs for San Francisco County, as determined by Title Company.

32.3 Real Estate Taxes and Special Assessments

At or before the Closing, Seller will pay all general real estate taxes payable for the tax year in which the Closing occurs and all prior years. Seller may file claim with the City and County of San Francisco for a property tax refund for any taxes paid for the period from and after the Closing Date. At or before the Closing, Seller will pay the full amount of any special assessments against the Property, including, without limitation, interest payable thereon, applicable to the period prior the Closing Date. Seller will pay all hotel or other taxes applicable to the period prior the Closing Date. General real estate taxes payable for the tax year prior to year of Closing and all prior years shall be paid by Seller at or before the Closing. General real estate taxes payable for the tax year of the Closing shall be prorated through escrow by Seller and City as of the Closing Date.

32.4 Preliminary Closing Adjustment

Seller and City shall jointly prepare a preliminary Closing adjustment on the basis of the Leases and other sources of income and expenses and shall deliver such computation to Title Company prior to Closing.

32.5 Sales and Use Taxes for Transferred Taxable Personal Property

Seller will promptly remit to the State of California the entire amount of any sales and use taxes triggered by the transfer of taxable personal property included in the sale of the Property, in accordance with the California law. Upon such payment of sales and use taxes, Seller will promptly provide City with confirmation of such payment to the State of California. Seller, on behalf of itself and its successors and assigns, will indemnify, defend and hold harmless City, its Agents and their respective successors and assigns, from and against any and all liabilities, claims, demands, damages, liens, costs, penalties, losses and expenses (including, without limitation, reasonable attorneys' fees) relating to the sales and use taxes arising out of the transfer of taxable personal

property included in the sale of the Property. The foregoing indemnity includes, without limitation, any applicable sales and use taxes that Seller fails to remit to the State of California. The indemnification provisions of this Section will survive beyond the Closing.

32.6 Post-Closing Reconciliation

If any of the foregoing prorations cannot be calculated accurately on the Closing Date, then they shall be calculated as soon after the Closing Date as feasible. Either party owing the other party a sum of money based on such subsequent prorations shall promptly pay such sum to the other party.

32.7 Survival

The provisions of this Section 8 shall survive the Closing for a period of three hundred sixty-five (365) days.

33. REPRESENTATIONS AND WARRANTIES

33.1 Representations and Warranties of Seller

Seller represents and warrants to City as follows. The phrase "to Seller's Knowledge" used herein shall mean the actual, then current knowledge of the officers of Seller having direct, operational responsibility for the Property, with the express limitation that the knowledge of any contractor or consultant shall not be imputed to Seller, and that none of such officers has made any special investigation or inquiry, and none of such officers has any duty or obligation of diligent investigation or inquiry, or any other duty or obligation, to acquire or to attempt to acquire information beyond or in addition to the current, actual knowledge of such persons.

(a) To Seller's Knowledge, Seller has not received any written notices from any governmental authority alleging that any condition or other matters with respect to the Property violates any laws, rules or regulations applicable to the Property, including, without limitation, any earthquake, life safety and handicap laws (including, but not limited to, the Americans with Disabilities Act) that has not been previously cured.

(b) To Seller's Knowledge, the Leases, Assumed Contracts, Due Diligence Information and Other Information furnished to City contains all of the relevant material documents and information pertaining to the condition and operation of the Property to the extent available to Seller and are and at the time of Closing will be true, correct and complete (in all material respects) copies of such documents in Seller's possession [and the Leases and Assumed Contracts are and at the time of Closing will be in full force and effect, without default by (or notice of default to) Seller.

(c) To Seller's Knowledge, no document or instrument that was prepared by Seller and furnished or to be furnished by the Seller to the City in connection with this Agreement contains or will contain any material untrue statement of material fact or omits or will omit a material fact necessary to make the statements contained therein not misleading, under the circumstances under which any such statement shall have been made.

(d) Seller does not have Knowledge of any condemnation, either instituted or planned to be instituted by any governmental or quasi-governmental agency other than City, which could detrimentally affect the use, operation or value of the Property for which Seller has not given notice to City.

(e) To Seller's Knowledge, all water, sewer, gas, electric, telephone, and drainage facilities and all other utilities required by law or by the normal use and operation of the Property are and at the time of Closing will be installed to the property lines of the Property and are and at the time of Closing will be adequate to service the Property for its current use.

(f) To Seller's Knowledge, there are no easements or rights of way which have been acquired by prescription or which are otherwise not of record with respect to the Property, and there are no easements, rights of way, permits, licenses or other forms of agreement which afford third parties the right to traverse any portion of the Property to gain access to other real property that was not provided to City during the Due Diligence Period. To Seller's Knowledge, Seller has not received or delivered written notice of any ongoing disputes with regard to the location of any fence or other monument of the Property's boundary nor any claims or actions involving the location of any fence or boundary.

(g) There is no litigation pending and Seller has not received written notice of any litigation that is threatened, against Seller that arises out of the ownership of the Property or that might materially detrimentally affect the use or operation of the Property for its current purpose or the value of the Property or the ability of Seller to perform its obligations under this Agreement.

(h) Seller has not granted any option or right of first refusal or first opportunity to any third party to acquire any interest in any of the Property other than as disclosed by Seller to City during the Due Diligence Period.

(i) Seller is a _____ duly organized and validly existing under the laws of the State of _____ and is in good standing under the laws of the State of _____; this Agreement and all documents executed by Seller which are to be delivered to City at the Closing are, or at the Closing will be, duly authorized, executed and delivered by Seller, are, or at the Closing will be, legal, valid and binding obligations of Seller, enforceable against Seller in accordance with their respective terms, are, and do not, and at the Closing will not, violate any provision of any agreement or judicial order to which Seller is a party or to which Seller or the Property is subject.

(j) Seller represents and warrants to City that it has not been suspended, disciplined or disbarred by, or prohibited from contracting with, any federal, state or local governmental agency. In the event Seller has been so suspended, disbarred, disciplined or prohibited from contracting with any governmental agency, it shall immediately notify the City of same and the reasons therefore together with any relevant facts or information requested by City. Any such suspension, debarment, discipline or prohibition may result in the termination or suspension of this Agreement.

(k) Seller hereby represents and warrants to and covenants with City that the following statements are true and correct and will be true and correct in all material respects as of the Closing Date, to Seller's Knowledge: (i) Seller has not received written notice that the Property is in violation of any Environmental Laws except as described on Schedule 1; (ii) the Property is not now, nor to of Seller's knowledge has it ever been, used in any manner for the manufacture, use, storage, discharge, deposit, transportation or disposal of any Hazardous Material in violation of Environmental Laws, except as described on Schedule 1 ("Seller's Environmental Disclosure"); (iii) during Seller's ownership of the Property, there has been no release and there is no threatened release of any Hazardous Material in, on, under or about the Property except as described on Schedule 1; (iv) there have not been and there are not now any underground storage tanks, septic tanks or wells or any aboveground storage tanks at any time used to store Hazardous Material located in, on or under the Property, or if there have been or are any such tanks or wells located on the Property except as described on Schedule 1, their location, type, age and content has been specifically identified in Seller's Environmental Disclosure, they have been properly registered with all appropriate authorities, they are in full compliance with all applicable statutes, ordinances and regulations, and they have not resulted in the release or threatened release of any Hazardous Material into the environment; (v) the Property does not consist of any landfill except as described on Schedule 1; and (vi) the Property is not subject to any claim by any governmental regulatory agency or third party related to the release or threatened release of any Hazardous Material, and there is no inquiry by any governmental agency (including, without limitation, the California Department of Toxic Substances Control or the Regional Water Quality Control Board) with respect to the presence of Hazardous Material in, on, under or about the Property, or the migration of Hazardous Material from or to other property except as described on Schedule 1. As used herein, the following terms shall have the meanings below:

(i) "Environmental Laws" shall mean any present federal, state or local laws, ordinances, regulations or policies relating to Hazardous Material (including, without limitation, their use, handling, transportation, production, disposal, discharge or storage) or to health and safety, industrial hygiene or environmental conditions in, on, under or about the Property, including, without limitation, soil, air and groundwater conditions.

(ii) "Hazardous Material" shall mean 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, without limitation, any material or substance defined as a "hazardous substance," or "pollutant" or "contaminant" pursuant to 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 pursuant to Section 25281 of the California Health & Safety Code; any "hazardous waste" listed pursuant to Section 25140 of the California Health & Safety Code; any asbestos and asbestos containing materials whether or not such materials are part of the structure of the Improvements or are naturally occurring substances on or about the Property; petroleum, including crude oil or any fraction thereof, natural gas or natural gas liquids; and "source," "special nuclear" and "by-product" material as defined in the Atomic Energy Act of 1985, 42 U.S.C. Section 3011 et seq.

(iii) "Release" or "threatened release" when used with respect to Hazardous Material shall include any actual or imminent spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing into or inside any of the improvements, or in, on, under or about the Property. Release shall include, without limitation, "release" as defined in Section 101 of the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. Section 9601).

(l) At the time of Closing, there will be no outstanding written or oral contracts made by Seller for any of the Improvements that have not been fully paid for or that have not otherwise been disclosed by Seller to the City. Except as otherwise expressly disclosed to City during the Due Diligence Period, Seller shall cause to be removed as an exception on the Title Policy or insured (with City having a reasonable approval over the form of any such insurance/endorsement) over all mechanics' or materialmen's liens arising from any labor or materials furnished to the Property prior to the time of Closing.

(m) To Seller's Knowledge, there are no obligations in connection with the Property which will be binding on City after Closing except for the Accepted Conditions of Title (including new title exceptions approved by City pursuant to the terms of this Agreement), the Assumed Contracts, the Leases and any applicable laws or statutes.

(n) Seller is not a "foreign person" within the meaning of Section 1445(f)(3) of the Federal Tax Code.

(o) There are no free rent, operating expense abatements, incomplete tenant improvements, rebates, allowances, or other unexpired concessions (collectively referred to as "Offsets") or any termination, extension, cancellation or expansion rights under any existing or pending Leases (with the exception of those summarized in Schedule 2 attached hereto); and, except as described on Schedule 2, all of the Leases are absolutely net (including the full pass-through of management fees), except for replacement of major capital items, such as roof, foundation and structural components. Seller has paid in full any the Leasing Costs pursuant to Section 8.1(b).

(p) To Seller's Knowledge, the copies of the Leases delivered by Seller to City on or before the commencement of the Due Diligence Period contain all of the information pertaining to any rights of any parties to occupy the Property, including, without limitation, all information regarding any rent concessions, over-standard tenant improvement allowances or other inducements to lease. Except as described on Schedule 2, none of the tenants of the Property has indicated to Seller in writing its intent to terminate its respective Lease prior to expiration of the respective term of such Lease.

(q) Seller represents that it is fully compliant with the California Sales and Use Tax Law and warrants to City that Landlord that it will fulfill its use tax obligations under that law with respect to the subject transaction.

The representations and warranties of Seller set forth in this Section 9.1 (the "Seller's Surviving Obligations") shall survive Closing for a period of twelve (12) months ("Survival

Period"), but not thereafter, it being the intention of the parties that all suits or actions for breach of Seller's Surviving Obligations must be commenced, if at all, within the Survival Period or they shall be forever barred. City must give Seller written notice of any claim City may have against Seller with respect to any of Seller's Surviving Obligations prior to the expiration of the Survival Period. Any such claim which City may have which is not so asserted prior to the expiration of the Survival Period shall not be valid or effective, and Seller shall have no liability with respect thereto. Notwithstanding the foregoing, if, prior to the Closing Date, City or Seller should learn, discover or become aware of any existing or new item, fact or circumstance which renders a representation or warranty of Seller set forth herein incorrect or untrue in any material respect (collectively, the "Representation Matter"), then the party who has learned, discovered or become aware of such Representation Matter shall promptly give written notice thereof to the other party and Seller's representations and warranties shall be automatically limited to account for the Representation Matter. If, prior to the Closing Date, City discovers or is notified of a Representation Matter that has a material, adverse impact on the value of the Property, then City shall have the right, as its sole remedy, to terminate this Agreement by providing written notice thereof to Seller no later than thirty (30) days after City learns or is notified of such Representation Matter. Upon such termination, neither party hereunder shall have any further obligations or liabilities under this Agreement except as specifically set forth herein. If City does not timely terminate this Agreement, then Seller's representations and warranties shall be automatically limited to account for the Representation Matter, City shall be deemed to have waived City's right to pursue any remedy for breach of the representation or warranty made untrue on account of such Representation Matter, and the parties shall proceed to the Closing.

City acknowledges and agrees that neither the trustees, shareholders, members, affiliates, officers, directors, investment managers, employees, partners, agents nor advisors of Seller, assume any personal liability for obligations entered into by or on behalf of Seller, except in the event of fraud or intentional misconduct. Notwithstanding the foregoing, nothing in this Section shall limit potential City claims to disregard Seller's corporate entity or pierce Seller's corporate veil.

Notwithstanding any other provision of this Agreement or any closing document executed by Seller and delivered to City at Closing to the contrary, (i) in no event shall Seller have any liability for lost profits, and (ii) Seller's liability with respect to Seller's Surviving Obligations shall not exceed, in the aggregate, Fifteen Million and No/100 Dollars ($15,000,000.00); provided that Seller's liability with respect to Seller's Surviving Obligations may exceed, in the aggregate, Fifteen Million and No/100 Dollars ($15,000,000.00) for any claims caused by Seller's intentional misrepresentation or fraud.

33.2 Representations and Warranties of City

City represents and warrants to Seller that City has the legal power, right, and authority, and has obtained all requisite approvals, to enter into this Agreement and the instruments referenced herein, and to consummate the transaction contemplated by this Agreement.

9.3 Indemnity

Seller, on behalf of itself and its successors and assigns, hereby agrees to indemnify, defend and hold harmless City, its Agents and their respective successors and assigns, from and against any and all liabilities, claims, demands, damages, liens, costs, penalties, losses and expenses, including, without limitation, reasonable attorneys' and consultants' fees, resulting from any misrepresentation or breach of warranty or breach of covenant made by Seller in this Agreement or in any document, certificate given or delivered to City pursuant to or in connection with this Agreement and relating to the period prior to the Closing Date. The foregoing indemnity includes, without limitation, costs incurred in connection with the investigation of site conditions and all activities required to locate, assess, evaluate, remediate, cleanup, remove, contain, treat, stabilize, monitor or otherwise control any Hazardous Material. The indemnification provisions of this Section shall survive for the Survival Period only and Seller shall have no liability with respect to any suit, claim or action which City may have under this Section 9.3 that is not asserted prior to the expiration of the same.

34. RISK OF LOSS AND POSSESSION

34.1 Risk of Loss

If any of the Property is damaged or destroyed prior to the Closing Date, or if condemnation proceedings are commenced against any of the Property, then the rights and obligations of Seller and City hereunder shall be as follows:

(a) If such damage or destruction is fully covered by Seller's insurance except for the deductible amount thereunder, then this Agreement shall remain in full force and effect and City shall acquire the Property upon the terms and conditions set forth herein. In such event, City shall receive a credit against the Purchase Price equal to such deductible amount less any amounts expended by Seller toward the restoration or repair of the Property, and Seller shall assign to City at Closing all of Seller's right, title and interest in and to all proceeds of insurance on account of such damage or destruction pursuant to an instrument reasonably satisfactory to City.

(b) If such damage or destruction is not fully covered by Seller's insurance, other than the deductible amount, and would cost less than Two Million and No/100 Dollars ($2,000,000.00) (the "Threshold Damage Amount") to repair or restore, then the transaction contemplated by this Agreement will be consummated with City receiving a credit against the Purchase Price in an amount reasonably determined by Seller and City (after consultation with unaffiliated experts) to be the cost of repairing such damage and destruction (up to the Threshold Damage Amount) .

(c) If the cost of such damage or destruction is not fully covered by Seller's insurance, other than the deductible amount, and would exceed the Threshold Damage Amount, or if condemnation proceedings are commenced against any material portion of the Property then, City shall have the right, at its election, either to (i) terminate this Agreement in its entirety, or (ii) not terminate this Agreement and purchase the Property. City shall have thirty (30) days after Seller notifies City that an event described in this Subsection (c) has occurred and the estimated cost to repair such damage or destruction to make such election by delivery to Seller of an election

notice. The Closing Date shall also be tolled from the date of the event described in this Subsection (c) until Seller provides such notice to City. City's failure to deliver such notice within such thirty (30)-day period shall be deemed City's election to terminate this Agreement in its entirety. If this Agreement is terminated in its entirety pursuant to this Subsection (c) by City's delivery of notice of termination to Seller, then City and Seller shall each be released from all obligations hereunder pertaining to the Property, except as otherwise expressly set forth in this Agreement or under the City Lease. If City elects not to terminate this Agreement, at the Closing, City shall receive a credit against the Purchase Price equal to such deductible amount less any amounts expended by Seller toward the restoration or repair of the Property (provided that Seller is not required to make any such restoration or repair and in no event shall such credit exceed the Threshold Damage Amount), and Seller shall assign to City at Closing all of Seller's right, title and interest in and to all proceeds of insurance or condemnation awards on account of such damage, destruction or condemnation pursuant to an instrument reasonably satisfactory to City and Seller.

34.2 Insurance

Through the Closing Date, Seller shall maintain or cause to be maintained, at Seller's sole cost and expense, a policy or policies of property insurance in amounts equal to the full replacement value of the Improvements and the Personal Property, insuring against all customary insurable risks (provided such policies may contain customary and reasonable sublimits as reasonably approved by the City Risk Manager), including without limitation fire, vandalism, malicious mischief, lightning, windstorm, water, earthquake, flood and other perils customarily covered by casualty insurance and the costs of demolition and debris removal. Seller shall furnish City with evidence of such insurance upon request by City.

34.3 Possession

Possession of the Property shall be delivered to City on the Closing Date.

35. MAINTENANCE; CONSENT TO NEW CONTRACTS

35.1 Maintenance of the Property by Seller

Between the date of the Exercise Notice (as defined in Section 22.1 of the City Lease) and the Closing, Seller shall maintain the Property in good order, condition and repair, reasonable wear and tear excepted, and shall make all repairs, maintenance and replacements (except material capital improvements) of the Improvements and any Personal Property and otherwise operate the Property in the same manner as before the making of this Agreement, as if Seller were retaining the Property.

35.2 City's Consent to New Contracts Affecting the Property; Termination of Existing Contracts

After the Effective Date, Seller shall not enter into any new lease or occupancy agreement ("**New Leases**") or new contract or agreement ("**New Contracts**"), or any amendment of the Assumed Contracts or Leases, or permit any tenant of the Property to enter into any sublease, assignment or agreement pertaining to the Property, or waive any rights of Seller under any Lease or Assumed Contract, without in each instance obtaining City's prior written consent thereto, which

consent shall not be unreasonably withheld, conditioned or delayed; provided City's prior written consent shall not be required for (i) any lease amendment, sublease or other agreement which Seller is mutually required to execute, and (ii) any contract that Seller will terminate on or before Closing or which Seller can terminate without penalty on no more than thirty (30) days' notice. Seller shall terminate prior to the Closing, at no cost or expense to City, any and all leases and contracts affecting the Property that City does not agree in writing prior to the Closing to assume. Any New Leases and New Contracts that City expressly agrees to assume at Closing will be deemed Leases and Assumed Contracts, respectively.

36. AS-IS SALE.

(a) Subject to the terms of this Agreement, it is the intent of Seller and City that, by the Closing Date, City will have had the opportunity to perform a diligent and thorough inspection and investigation of the Property, either independently or through its Agents. CITY SPECIFICALLY ACKNOWLEDGES AND AGREES THAT SELLER IS CONVEYING AND CITY IS ACQUIRING SELLER'S INTEREST IN THE PROPERTY ON AN "AS IS WITH ALL FAULTS" BASIS. CITY IS RELYING SOLELY ON ITS INDEPENDENT INVESTIGATION AND, OTHER THAN THE REPRESENTATIONS AND WARRANTIES OF SELLER EXPRESSLY SET FORTH IN THIS AGREEMENT, NOT ON ANY REPRESENTATIONS OR WARRANTIES OF ANY KIND WHATSOEVER, EXPRESS OR IMPLIED, FROM SELLER OR ITS AGENTS AS TO ANY MATTERS CONCERNING THE PROPERTY, THE SUITABILITY FOR CITY'S INTENDED USES OR ANY OF THE PROPERTY CONDITIONS THEREOF. EXCEPT AS EXPRESSLY SET FORTH IN SECTION 9.1 (REPRESENTATIONS AND WARRANTIES OF SELLER), SELLER DOES NOT WARRANT THE LEGAL, PHYSICAL, GEOLOGICAL, ENVIRONMENTAL, ZONING, OR OTHER CONDITIONS OF THE PROPERTY, OR THE SUITABILITY FOR ANY USE, NOR DOES IT ASSUME ANY RESPONSIBILITY FOR THE COMPLIANCE OF THE PROPERTY OR ITS USE WITH ANY APPLICABLE LAWS. IT IS CITY'S SOLE RESPONSIBILITY TO DETERMINE ALL BUILDING, PLANNING, ZONING, AND OTHER REGULATIONS AND APPLICABLE LAWS RELATING TO THE PROPERTY AND THE USES TO WHICH IT MAY BE PUT.

(b) As part of its agreement to accept the Property and in its "as is and with all faults" condition, City as of the Closing Date, on behalf of itself and its successors and assigns, waives any right to recover from, and forever releases and discharges, Seller and its Agents, and their respective heirs, successors, legal representatives and assigns, from any and all Losses, whether direct or indirect, known or unknown, or foreseen or unforeseen, that may arise on account of or in any way be connected with (a) the use of the Property by City and its successors and assigns or (b) the physical, geological, or environmental condition of the Property. "Losses" means any and all claims, demands, losses, liabilities, damages (including foreseeable and unforeseeable consequential damages), liens, obligations, interest, injuries, penalties, fines, lawsuits and other proceedings, judgments, and awards and reasonable costs and expenses of whatever kind or nature, known or unknown, foreseen or unforeseen, or contingent or otherwise, including attorneys' fees and costs. In connection with the foregoing release, City, as of the Closing Date, expressly waives the benefits of Section 1542 of the California Civil Code, which provides as follows:

> A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT

THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

(c) NOTWITHSTANDING ANYTHING TO THE CONTRARY, THE FOREGOING PROVISIONS OF THIS SECTION 12 WILL NOT SERVE TO RELEASE SELLER AND ITS AGENTS FROM, AND NO RELEASE IN THIS SECTION 12 APPLIES TO, AND CITY EXPRESSLY DOES NOT WAIVE ANY LOSSES TO THE EXTENT ARISING FROM (A) SELLER OR ITS AGENT'S FRAUD, (B) ANY MATERIAL BREACH OF ANY COVENANT OR EXPRESS REPRESENTATION OR WARRANTY MADE BY SELLER UNDER THIS AGREEMENT, OR (C) WITH RESPECT TO ANY CLAIM MADE BY ANY THIRD PARTY AGAINST CITY WITH RESPECT TO THE PROPERTY ARISING DURING SELLER'S OWNERSHIP, EXCEPT AS AND TO THE EXTENT CAUSED BY CITY.

37. DEFAULT

37.1 CITY DEFAULT; LIQUIDATED DAMAGES.

In the event the sale of the Property contemplated hereby is not consummated solely because of a default under this Agreement on the part of City, then City agrees to pay to Seller the sum of Two Million Dollars and 00/100 ($2,000,000.00) as liquidated damages. The parties have agreed that Seller's actual damages, in the event of a default by City, would be extremely difficult or impracticable to determine. THEREFORE, BY PLACING THEIR INITIALS BELOW, THE PARTIES ACKNOWLEDGE THAT THE LIQUIDATED DAMAGES AMOUNT SET FORTH IN THIS SECTION 13.1 HAS BEEN AGREED UPON, AFTER NEGOTIATION, AS THE PARTIES' REASONABLE ESTIMATE OF SELLER'S DAMAGES AND AS SELLER'S EXCLUSIVE REMEDY AGAINST CITY, AT LAW OR IN EQUITY, IN THE EVENT OF A DEFAULT UNDER THIS AGREEMENT ON THE PART OF CITY. THE PARTIES ACKNOWLEDGE THAT THE PAYMENT OF SUCH LIQUIDATED DAMAGES IS NOT INTENDED AS A FORFEITURE OR PENALTY WITHIN THE MEANING OF CALIFORNIA CIVIL CODE SECTIONS 3275 OR 3369 BUT IS INTENDED TO CONSTITUTE LIQUIDATED DAMAGES TO SELLER PURSUANT TO CALIFORNIA CIVIL CODE SECTIONS 1671, 1676 AND 1677.

INITIALS: Seller _____ City _____

13.2 SELLER'S DEFAULT.

If the sale of the Property is not consummated because of a Seller default under this Agreement, or if a City Condition Precedent cannot be fulfilled because Seller frustrated such fulfillment by some affirmative act or negligent omission, City may, at its sole election, either (1) terminate this Agreement by delivery of notice of termination to Seller, whereupon Seller will pay to City any title, escrow, legal and inspection fees incurred by City and any other expenses incurred by City in connection with the performance of its due diligence review of the Property (in an amount not to exceed Five Hundred Thousand and No/100 Dollars ($500,000.00)); or (2) continue this Agreement pending City's action for specific performance, which such action must be initiated within one (1) year of the Anticipated Closing Date, after which the City's sole remedy shall be as set forth in clause (1) hereof.

14. GENERAL PROVISIONS

14.1 Notices

Any notice, consent or approval required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been given upon (i) hand delivery, against receipt, (ii) one (1) day after being deposited with a reliable overnight courier service, or (iii) two (2) days after being deposited in the United States mail, registered or certified mail, postage prepaid, return receipt required, and addressed as follows:

City:	Real Estate Division City and County of San Francisco 25 Van Ness Avenue, Suite 400 San Francisco, California 94102 Attn: Director of Property Re: 1455 Market Street Purchase Facsimile No.: (415) 552-9216
with copy to:	Real Estate & Finance Team Leader Office of the City Attorney City Hall, Room 234 1 Dr. Carlton B. Goodlett Place San Francisco, CA 94102-4682 Re: [Identify Project/Property] Facsimile No.: (415) 554-4575
Seller:	
With a copy to:	_____ _____ _____ _____ **Facsimile No.: ( )]**

or to such other address as either party may from time to time specify in writing to the other upon five (5) days prior written notice in the manner provided above. For convenience of the parties, copies of notices may also be given by telefacsimile, to the telephone number listed above, or such other numbers as may be provided from time to time. However, neither party may give official or binding notice by facsimile. The effective time of a notice shall not be affected by the receipt, prior to receipt of the original, of a telefacsimile copy of the notice.

14.2 Brokers and Finders

Neither party has had any contact or dealings regarding the Property, or any communication in connection with the subject matter of this transaction, 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 purchase and sale contemplated herein. In the event that any broker or finder perfects a

claim for a commission or finder's fee based upon any such contact, dealings or communication, the party through whom the broker or finder makes his or her claim shall be responsible for such commission or fee and shall indemnify and hold harmless the other party from all claims, costs, and expenses (including, without limitation, reasonable attorneys' fees and disbursements) incurred by the indemnified party in defending against the same. The provisions of this Section shall survive the Closing.

14.3 Successors and Assigns

This Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors, heirs, administrators and assigns. City shall have the right, upon notice to Seller, to assign its right, title and interest in and to this Agreement to the Nominee at any time before the Closing Date.

14.4 Amendments

Except as otherwise provided herein, this Agreement may be amended or modified only by a written instrument executed by City and Seller.

14.5 Continuation and Survival of Representations and Warranties

All representations and warranties by the respective parties contained herein or made in writing pursuant to this Agreement are intended to be, and shall remain, true and correct in all material respects as of the Closing, shall be deemed to be material, and, together with all conditions, covenants and indemnities made by the respective parties contained herein or made in writing pursuant to this Agreement (except as otherwise expressly limited or expanded by the terms of this Agreement including pursuant to Section 9.1), shall survive the execution and delivery of this Agreement and the Closing, or, to the extent the context requires, beyond any termination of this Agreement.

14.6 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the State of California.

Any legal suit, action, or proceeding arising out of or relating to this Agreement 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 Agreement has been brought in an inconvenient forum.

14.7 Merger of Prior Agreements

The parties intend that this Agreement (including all of the attached exhibits and schedules, which are incorporated into this Agreement by reference) shall be the final expression of their agreement with respect to the subject matter hereof and may not be contradicted by evidence of

any prior or contemporaneous oral or written agreements or understandings. The parties further intend that this Agreement shall constitute the complete and exclusive statement of its terms and that no extrinsic evidence whatsoever (including, without limitation, prior drafts or changes therefrom) may be introduced in any judicial, administrative or other legal proceeding involving this Agreement.

14.8 Parties and Their Agents; Approvals

The term "**Seller**" as used herein shall include the plural as well as the singular. If there is more than one (1) Seller, then the obligations under this Agreement imposed on Seller shall be joint and several. As used herein, the term "**Agents**" when used with respect to either party shall include the agents, employees, officers, contractors and representatives of such party. All approvals, consents or other determinations permitted or required by City hereunder shall be made by or through City's Director of Property unless otherwise provided herein, subject to applicable law.

14.9 Interpretation of Agreement

The article, section and other headings of this Agreement and the table of contents are for convenience of reference only and shall not affect the meaning or interpretation of any provision contained herein. Whenever the context so requires, the use of the singular shall be deemed to include the plural and vice versa, and each gender reference shall be deemed to include the other and the neuter. This Agreement has been negotiated at arm's length and between persons sophisticated and knowledgeable in the matters dealt with herein. In addition, each party has been represented by experienced and knowledgeable legal counsel. Accordingly, any rule of law (including California Civil Code Section 1654) or legal decision that would require interpretation of any ambiguities in this Agreement against the party that has drafted it is not applicable and is waived. The provisions of this Agreement shall be interpreted in a reasonable manner to effect the purposes of the parties and this Agreement.

14.10 Seller Tax Obligations

Seller 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 ("**Delinquent Payment**"). If, under that authority, any payment City is required to make to Seller under this Agreement is withheld because Seller owes the City a Delinquent Payment, then City will not be in breach or default under this Agreement, and the Treasurer and Tax Collector will authorize release of any payments withheld under this paragraph to Seller, without interest, late fees, penalties, or other charges, upon Seller coming back into compliance with its San Francisco Business and Tax Regulations Code obligations.

14.11 Sunshine Ordinance and Public Announcements

Seller understands and agrees that under the City's Sunshine Ordinance (San Francisco Administrative Code, Chapter 67) and the State Public Records Law (Gov. Code Section 6250

et seq.), this Agreement and any and all records, information, and materials submitted to the City hereunder public records subject to public disclosure. Seller hereby acknowledges that the City may disclose any records, information and materials submitted to the City in connection with this Agreement.

The parties shall reasonably cooperate with respect to any post Closing Date public announcements, provided that there shall be no restrictions on either party to make public announcements.

14.12 Conflicts of Interest

Through its execution of this Agreement, Seller acknowledges that it is familiar with the provisions of Article III, Chapter 2 of City's Campaign and Governmental Conduct Code, and Section 87100 et seq. and Section 1090 et seq. of the Government Code of the State of California, and certifies that it does not know of any facts which would constitute a violation of said provision, and agrees that if Seller becomes aware of any such fact during the term of this Agreement, Seller shall immediately notify the City.

14.13 Notification of Prohibition on Contributions

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

14.14 Non-Liability of City Officials, Employees and Agents

Notwithstanding anything to the contrary in this Agreement, no elective or appointive board, commission, member, officer, employee or agent of City shall be personally liable to Seller,

its successors and assigns, in the event of any default or breach by City or for any amount which may become due to Seller, its successors and assigns, or for any obligation of City under this Agreement.

14.15 Intentionally Omitted.

14.16 Counterparts

This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

14.17 Effective Date

As used herein, the term "**Effective Date**" means the last date on which City and Seller have executed this Agreement, as authorized by a resolution or ordinance, as applicable, enacted by the City's Board of Supervisors and Mayor approving and authorizing this Agreement and the transaction contemplated hereunder.

14.18 Severability

If any provision of this Agreement or the application thereof to any person, entity or circumstance shall be invalid or unenforceable, the remainder of this Agreement, or the application of such provision to persons, entities or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each other provision of this Agreement shall be valid and be enforceable to the fullest extent permitted by law, except to the extent that enforcement of this Agreement without the invalidated provision would be unreasonable or inequitable under all the circumstances or would frustrate a fundamental purpose of this Agreement.

14.19 Intentionally Omitted.

14.20 Intentionally Omitted.

14.21 Cooperative Drafting.

This Agreement has been drafted through a cooperative effort of both parties, and both parties have had an opportunity to have the Agreement reviewed and revised by legal counsel. No party shall be considered the drafter of this Agreement, and no presumption or rule that an ambiguity shall be construed against the party drafting the clause shall apply to the interpretation or enforcement of this Agreement.

NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS AGREEMENT, SELLER ACKNOWLEDGES AND AGREES THAT NO OFFICER OR EMPLOYEE OF CITY HAS AUTHORITY TO COMMIT CITY TO THIS AGREEMENT UNLESS AND UNTIL APPROPRIATE LEGISLATION OF CITY'S BOARD OF SUPERVISORS SHALL HAVE BEEN DULY ENACTED APPROVING THIS AGREEMENT AND AUTHORIZING THE TRANSACTIONS CONTEMPLATED HEREBY. THEREFORE, ANY OBLIGATIONS OR LIABILITIES OF CITY HEREUNDER ARE CONTINGENT UPON THE DUE ENACTMENT OF SUCH LEGISLATION, AND THIS AGREEMENT SHALL BE

NULL AND VOID IF CITY'S BOARD OF SUPERVISORS AND MAYOR DO NOT APPROVE THIS AGREEMENT, IN THEIR RESPECTIVE SOLE DISCRETION. APPROVAL OF ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY BY ANY DEPARTMENT, COMMISSION OR AGENCY OF CITY SHALL NOT BE DEEMED TO IMPLY THAT SUCH LEGISLATION WILL BE ENACTED NOR WILL ANY SUCH APPROVAL CREATE ANY BINDING OBLIGATIONS ON CITY.

[SIGNATURES ON FOLLOWING PAGES]

The parties have duly executed this Agreement as of the respective dates written below.

SELLER:

By: _____

Name: _____

Its: _____

CITY:

CITY AND COUNTY OF SAN FRANCISCO,
a municipal corporation

By: _____

Name: _____

Its: _____

APPROVED AS TO FORM:
_____, City Attorney

By: _____

SCHEDULE 1

SELLER'S ENVIRONMENTAL DISCLOSURE

[TO BE ATTACHED PRIOR TO EXECUTION OF THIS AGREEMENT]

SCHEDULE 2

LEASE INFORMATION

[TO BE ATTACHED PRIOR TO EXECUTION OF THIS AGREEMENT]

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EXHIBIT A

LAND DESCRIPTION

All that certain real property located in the County of San Francisco, State of California, described as follows:

[LEGAL DESCRIPTION TO COME FROM PRELIMINARY REPORT]

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EXHIBIT B

DESCRIPTION OF ACCEPTED PERSONAL AND INTANGIBLE PROPERTY AND ASSUMED CONTRACTS

[To be attached prior to execution of this Agreement based on the Intangible Property and Assumed Contracts identified during the Due Diligence Period (as defined in the City Lease)]

DocuSign Envelope ID: FB496D3A-9A5F-4BE4-AL .. -C103EDACF52A

EXHIBIT C

GRANT DEED

RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:

Director of Property
Real Estate Division
City and County of San Francisco
25 Van Ness Avenue, Suite 400
San Francisco, California 94102

The undersigned hereby declares this instrument to be exempt from Recording Fees (CA Govt. Code § 27383) and Documentary Transfer Tax (CA Rev. & Tax Code § 11922 and S.F. Bus. & Tax Reg. Code § 1105)

(Space above this line reserved for Recorder's use only)

GRANT DEED

(Assessor's Parcel No. _____)

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, _____, ___, a _____, hereby grants to the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation, the real property located in the City and County of San Francisco, State of California, described on Exhibit A attached hereto and made a part hereof (the "**Property**").

TOGETHER WITH any and all rights, privileges and easements incidental or appurtenant to the Property, including, without limitation, any and all minerals, oil, gas and other hydrocarbon substances on and under the Property, as well as any and all development rights, air rights, water, water rights, riparian rights and water stock relating to the Property, and any and all easements, rights-of-way or other appurtenances used in connection with the beneficial use and enjoyment of the Land and all of Grantor's right, title and interest in and to any and all roads and alleys adjoining or servicing the Property.

[SIGNATURES ON FOLLOWING PAGE]

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Executed as of this _____ day of _____, 20___.

_____, a _____

_____, By: _____
NAME

Its: _____

_____, By: _____
NAME

Its: _____

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A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
) ss
County of San Francisco)

On _____, before me, _____, a notary public in and for said State, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

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CERTIFICATE OF ACCEPTANCE

As required under Government Code Section 27281, this is to certify that the interest in real property conveyed by the [TITLE OF GRANTING DOCUMENT] dated _____, from the [GRANTOR'S NAME] a [California limited partnership, corporation, etc.] to the City and County of San Francisco, a municipal corporation ("Grantee"), is hereby accepted by order of its Board of Supervisors' Resolution No. 18110, adopted on August 5, 1957, and approved by the Mayor on August 10, 1957, and its Board of Supervisors' Resolution No. _____, adopted on _____, and Grantee consents to recordation thereof by its duly authorized officer.

Dated: _____

CITY AND COUNTY OF SAN FRANCISCO,

a municipal corporation

By: _____

[Name]
Director of Property

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EXHIBIT A

REAL PROPERTY DESCRIPTION

All that certain real property located in the County of San Francisco, State of California, described as follows:

[LEGAL DESCRIPTION TO COME FROM PRELIMINARY REPORT]

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EXHIBIT D

BILL OF SALE

For good and valuable consideration the receipt of which is hereby acknowledged, _____, a _____ ("**Seller**"), does hereby sell, transfer and convey to the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation ("**Buyer**"), all personal property owned by Seller and located on or in or used in connection with the Land and Improvements (as such terms are defined in that certain Agreement of Purchase and Sale of Real Estate dated as of _____, 20___, between Seller and Buyer (or Buyer's predecessor in interest), including, without limitation, those items described in Schedule 1 attached hereto.

Seller does hereby represent to Buyer that Seller is the lawful owner of such personal property, that such personal property is free and clear of all encumbrances, and that Seller has good right to sell the same as aforesaid and will warrant and defend the title thereto unto Buyer, its successors and assigns, against the claims and demands of all persons whomsoever.

DATED this _____ day of _____, 20___.

SELLER:

_____,
a _____

By: _____
[NAME]

Its: _____

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EXHIBIT E

ASSIGNMENT OF CONTRACTS, WARRANTIES AND GUARANTIES AND OTHER INTANGIBLE PROPERTY

THIS ASSIGNMENT is made and entered into as of this ___ day of _____, 20___, by and between _____, a _____ ("**Assignor**"), and the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation ("**Assignee**").

FOR GOOD AND VALUABLE CONSIDERATION, the receipt of which is hereby acknowledged, effective as of the Effective Date (as defined below), Assignor hereby assigns and transfers to Assignee all of Assignor's right, title, claim and interest in and under:

A. all warranties and guaranties made by or received from any third party with respect to any building, building component, structure, system, fixture, machinery, equipment, or material situated on, contained in any building or other improvement situated on, or comprising a part of any building or other improvement situated on, any part of that certain real property described in Exhibit A attached hereto including, without limitation, those warranties and guaranties listed in Schedule 1 attached hereto (collectively, "**Warranties**");

B. the contracts and agreements relating to the maintenance, repair, or operation of the building located at 1455 Market Street, San Francisco listed in Schedule 2 attached hereto (collectively, the "**Service Contracts**");

C. any other Intangible Property (as defined in that certain Agreement of Purchase and Sale of Real Estate dated as of _____, 20___, between Assignor and Assignee (or Assignee's predecessor in interest) (the "**Purchase and Sale Agreement**").

ASSIGNOR AND ASSIGNEE FURTHER HEREBY AGREE AND COVENANT AS FOLLOWS:

1. Except as otherwise set forth in the Purchase and Sale Agreement, Assignor hereby agrees to indemnify Assignee against and hold Assignee harmless from any and all costs, liabilities, losses, damages or expenses (including, without limitation, reasonable attorneys' fees), originating prior to the Effective Date (as defined below) and arising out of the owner's obligations under the Service Contracts.

2. Except as otherwise set forth in the Purchase and Sale Agreement, effective as of the Effective Date (as defined below), Assignee hereby assumes all of the owner's obligations under the Service Contracts and agrees to indemnify Assignor against and hold Assignor harmless from any and all costs, liabilities, losses, damages or expenses (including, without limitation, reasonable attorneys' fees), originating on or subsequent to the Effective Date (as defined below) and arising out of the owner's obligations under the Service Contracts.

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3. In the event of any litigation between Assignor and Assignee arising out of this Assignment, the losing party shall pay the prevailing party's costs and expenses of such litigation, including, without limitation, attorneys' fees.

4. This Assignment shall be binding on and inure to the benefit of the parties hereto, their heirs, executors, administrators, successors in interest and assigns.

5. This Assignment shall be governed by and construed in accordance with the laws of the State of California.

6. For purposes of this Assignment, the "Effective Date" shall be the date of the Closing (as defined in the Purchase Agreement).

7. This Assignment may be executed in two (2) or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

[SIGNATURES ON FOLLOWING PAGE]

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

ASSIGNOR: a _____

By: _____
[NAME]

Its: _____

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

By: _____

Name: _____

Its: _____

APPROVED AS TO FORM:

_____, City Attorney

By: _____
[DEPUTY'S NAME]
Deputy City Attorney

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SCHEDULE 1
Warranties

[TO BE ATTACHED PRIOR TO EXECUTION OF THE PURCHASE AND SALE AGREEMENT]

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SCHEDULE 2
Schedule of Agreements

[TO BE ATTACHED PRIOR TO EXECUTION OF THE PURCHASE AND SALE AGREEMENT]

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EXHIBIT F

ASSIGNMENT OF LEASES

THIS ASSIGNMENT is made and entered into as of this ___ day of _____, 20___, by and between _____, a _____ ("**Assignor**"), and the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation ("Assignee").

FOR GOOD AND VALUABLE CONSIDERATION, the receipt of which is hereby acknowledged, effective as of the Effective Date (as defined below), Assignor hereby assigns and transfers to Assignee all of Assignor's right, title, claim and interest in and under certain leases executed with respect to that certain real property commonly known as _____ (the "**Property**") as more fully described in Schedule 1 attached hereto (collectively, the " **Leases**"); provided, however, that such assignment, sale and transfer shall not include any rights or claims arising prior to the Assignment Date which Assignor may have against any party under the Leases subject to the terms of the Purchase and Sale Agreement (defined below).

ASSIGNOR AND ASSIGNEE FURTHER HEREBY AGREE AND COVENANT AS FOLLOWS:

1. Assignor represents and warrants that, as of the date of this Assignment and the Closing Date, the attached Schedule 1 includes all of the Leases and occupancy agreements affecting any of the Property. As of the date hereof and as of the Closing Date, there are no assignments of or agreements to assign the Leases to any other party.

2. Assignor hereby agrees to indemnify Assignee against and hold Assignee harmless from any and all costs, liabilities, losses, damages or expenses (including, without limitation, reasonable attorneys' fees), originating prior to the Closing Date and arising out of the landlord's obligations under the Leases.

3. Except as otherwise set forth in the Purchase and Sale Agreement (as defined below), effective as of the Effective Date (as defined below), Assignee hereby assumes all of the landlord's obligations under the Leases and agrees to indemnify Assignor against and hold Assignor harmless from any and all costs, liabilities, losses, damages or expenses (including, without limitation, reasonable attorneys' fees), originating on or subsequent to the Effective Date (as defined below) and arising out of the landlord's obligations under the Leases.

4. Any rental and other payments under the Leases shall be prorated between the parties as provided in the Purchase Agreement between Assignor, as Seller, and Assignee, as City, dated as of _____ (the "**Purchase and Sale Agreement**").

5. In the event of any litigation between Assignor and Assignee arising out of this Assignment, the losing party shall pay the prevailing party's costs and expenses of such litigation, including, without limitation, attorneys' fees.

6. This Assignment shall be binding on and inure to the benefit of the parties hereto, their heirs, executors, administrators, successors in interest and assigns.

7. This Assignment shall be governed by and construed in accordance with the laws of the State of California.

8. For purposes of this Assignment, the "Effective Date" shall be the date of the Closing (as defined in the Purchase and Sale Agreement).

9. This Assignment may be executed in two (2) or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

Assignor and Assignee have executed this Assignment as of the day and year first written above.

ASSIGNOR:

a _____

By: _____
[NAME]

Its: _____

ASSIGNEE:

CITY AND COUNTY OF SAN FRANCISCO,
a municipal corporation

By: _____

Name: _____

Its: _____

APPROVED AS TO FORM:

_____, City Attorney

By: _____
[DEPUTY'S NAME]
Deputy City Attorney

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EXHIBIT G

TENANT'S ESTOPPEL CERTIFICATE

DATE:_____

TENANT: _____

PREMISES: _____

LEASE DATE: _____

COMMENCEMENT DATE: _____

EXPIRATION DATE: _____

TERM IN MONTHS: _____

DATE RENT AND OPERATING EXPENSE PARKING: _____

PAYMENTS ARE DUE: _____

OPTIONS: Check if you have any of these options or rights, and provide details in Sections 5 or 9 below.

_____Extension Option

_____Termination Option

_____Expansion Option

_____Purchase Option

CURRENT MONTHLY PAYMENTS: _____

BASE RENTAL: _____

TAXES: _____

OP. EXP. CAP: _____

_____Check here if you have rental escalations and provide details in Section 6 below:

SECURITY DEPOSIT: _____

THE UNDERSIGNED, AS TENANT OF THE ABOVE REFERENCED PREMISES ("PREMISES") UNDER THE LEASE DATED AS OF THE ABOVE-REFERENCED LEASE DATE, BETWEEN _____ ("LANDLORD") AND TENANT, HEREBY CERTIFIES TO THE CITY AND COUNTY OF SAN FRANCISCO ("CITY"), AND ITS ASSIGNEES, AS FOLLOWS:

1. Accuracy. All of the information specified above and elsewhere in this Certificate is accurate as of the date hereof.

2. Lease. The copy of the Lease attached hereto as Exhibit A is a true and correct copy of the Lease. The Lease is valid and in full force and effect. The Lease contains all of the understandings and agreements between Landlord and Tenant and has not been amended, supplemented or changed by letter agreement or otherwise, except as follows (if none, indicate so by writing "NONE" below):

3. Premises. The Premises consist of _____, and Tenant does not have any options to expand the Premises except as follows (if none, indicate so by writing "NONE" below):

4. Acceptance of Premises. Tenant has accepted possession of the Premises and is currently occupying the Premises. There are no unreimbursed expenses due Tenant including, but not limited to, capital expense reimbursements other than as follows: _____.

5. Lease Term. The term of the Lease commenced and will expire on the dates specified above, subject to the following options to renew or rights to terminate the Lease (if none, indicate so by writing "NONE" below):

6. Rental Escalations. The current monthly base rental specified above is subject to the following escalation adjustments (if none, indicate so by writing "NONE" below):

7. No Defaults/Claims. To Tenant's knowledge, neither Tenant nor Landlord under the Lease is in default under any terms of the Lease nor has any event occurred which with the passage of time (after notice, if any, required under the Lease) would become an event of default under the Lease. Tenant has no claims, counterclaims, defenses or setoffs against Landlord arising from the Lease, nor is Tenant entitled to any concession, rebate, allowance or free rent for any period after this certification other than as follows: _____

8. No Advance Payments. No rent has been paid in advance by Tenant except for the current month's rent other than as follows: _____.

9. No Purchase Rights. Tenant has no option to purchase, or right of first refusal to purchase, the Premises, the Property or any interest therein (if none, indicate so by writing "NONE" below):

10. Notification by Tenant. From the date of this Certificate and continuing until _____, Tenant agrees to notify City immediately of the occurrence of any event or the discovery of any fact that would make any representation contained in this Certificate inaccurate as of the date hereof or as of any future date.

11. No Sublease/Assignment. Tenant has not entered into any sublease, assignment or any other agreement transferring any of its interest in the Lease or the Premises other than as follows: _____.

12. No Notice. Tenant has not received notice of any assignment, hypothecation, mortgage, or pledge of Landlord's interest in the Lease or the rents or other payments payable thereunder, except those listed below (if none, indicate so by writing "NONE" below):

13. Hazardous Materials. Tenant has not used, treated, stored, disposed of or released any Hazardous Materials on or about the Premises or the Property. Tenant does not have any permits, registrations or identification numbers issued by the United States Environmental Protection Agency or by any state, county, municipal or administrative agencies with respect to its operation on the Premises, except for any stated below, and except as stated below no such governmental permits, registrations or identification numbers are required with respect to Tenant's operations on the Premises. For the purposes hereof, the term "Hazardous Material" shall mean 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, without limitation, any material or substance defined as a "hazardous substance," or "pollutant" or "contaminant" pursuant to 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 pursuant to Section 25316 of the California Health & Safety Code; any "hazardous waste" listed pursuant to Section 25140 of the California Health & Safety Code; and petroleum, including crude oil or any fraction thereof, natural gas or natural gas liquids, and "source," "special nuclear" and "by-product" material as defined in the Atomic Energy Act of 1985, 42 U.S.C. Section 3011 et seq.

14. Reliance. Tenant recognizes and acknowledges it is making these certifications to City with the intent that City, and any of its assigns, will fully rely on Tenant's certifications.

15. Binding. The provisions hereof shall be relied upon and inure to the benefit of the successors, assigns, personal representatives and heirs of Tenant and City.

16. Due Execution and Authorization. The undersigned, and the person(s) executing this Certificate on behalf of the undersigned, represent and warrant, solely in its capacity as an [officer] of Tenant, that they are duly authorized to execute this Certificate on behalf of Tenant and to bind Tenant hereto.

EXECUTED BY TENANT ON THE DATE FIRST WRITTEN ABOVE.

By: _____

Name: _____

Its: _____

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EXHIBIT H

CERTIFICATE OF TRANSFEROR OTHER THAN AN INDIVIDUAL (FIRPTA Affidavit)

Section 1445 of the Internal Revenue Code provides that a transferee of a United States real property interest must withhold tax if the transferor is a foreign person. To inform the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation, the transferee of certain real property located in the City and County of San Francisco, California, that withholding of tax is not required upon the disposition of such U.S. real property interest by _____ _____, a _____ ("Transferor"), the undersigned hereby certifies the following on behalf of Transferor:

1. Transferor is not a foreign corporation, foreign partnership, foreign trust, or foreign estate (as those terms are defined in the Internal Revenue Code and Income Tax Regulations);

2. Transferor's U.S. employer identification number is _____; and

3. Transferor's office address is _____ _____.

Transferor understands that this certification may be disclosed to the Internal Revenue Service by the transferee and that any false statement contained herein could be punished by fine, imprisonment, or both.

Under penalty of perjury, I declare that I have examined this certificate and to the best of my knowledge and belief it is true, correct and complete, and I further declare that I have authority to sign this document on behalf of Transferor.

Dated: _____, 20___.

On behalf of:

_____,
[NAME]

a _____

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EXHIBIT I

PROPERTY EXEMPTION NOTICE
California Revenue and Tax Code Section 5082

[San Francisco Tax Assessor
1 Dr. Carlton B. Goodlett Place
City Hall, Room 190
San Francisco, CA 94102-4698]

[*insert date*]

Re: City and County of San Francisco Acquisition of Property
Notice of Property Tax Exemption Under CA Revenue and Tax Code § 5082

Dear _____[insert name of Tax Assessor]:

We write this letter to inform you that the City and County of San Francisco acquired the property described in the attached deed (the "Property") on _____[*Title Company to insert Closing Date*] (the "Apportionment Date").

In accordance with California Revenue and Tax Code §5082, we are notifying you of this acquisition, and request that you cancel property taxes for the remaining portion of the fiscal year following the Apportionment Date.

Please do not hesitate to contact the City's Director of Property at the following address if you have any questions or need any further information:

Director of Property
City and County of San Francisco
25 Van Ness Avenue, 4th Floor
San Francisco, CA 94102
(p) 415-554-9860

Very truly yours,

_____
Director of Property
City and County of San Francisco

cc: San Francisco Controller
San Francisco Tax Collector
San Francisco Department of Technology
San Francisco Public Utilities Commission

EXHIBIT J

LEASES

[To be attached prior to the execution of this Agreement based on the Leases identified during the Due Diligence Period]

EXHIBIT J

FORM OF MEMORANDUM OF LEASE

RECORDING REQUESTED BY, AND
WHEN RECORDED, MAIL TO:

City and County of San Francisco
Real Estate Division
25 Van Ness Avenue, Suite 400
San Francisco, California 94102
Attn: Director of Property

Exempt from recording fees under Government Code Section 27383.

Documentary Transfer Tax: NONE – Exempt under San Francisco Business and Tax Regulations Code Section 1105

1455 Market Street(Space above this line reserved for Recorder's use only)
Block 3507, Lot 040

MEMORANDUM OF LEASE

This Memorandum of Lease ("**Memorandum**"), dated for reference purposes as of May 1, 2024, is by and between HUDSON 1455 MARKET STREET, LLC, a Delaware limited liability company, ("**Landlord**"), and the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation ("**City**").

Recitals

A. Landlord and City have entered into that certain Lease, dated May 1, 2024 (the "**Lease**"), under which Landlord leased to City and City leased from Landlord the real property more particularly described in the attached **Exhibit A** (the "**Premises**") and granted City the right to purchase the Property under certain circumstances (the "**Purchase Option**").

B. Landlord and City desire to execute this Memorandum to provide constructive notice of the Lease **and the Purchase Option** to all third parties.

For good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties agree as follows:

1. Term. Under the terms of the Lease, Landlord leased the Premises to City for a term commencing on the date Landlord delivers possession of the Premises to City as set forth in the Lease. The Term of the Lease will expire on the date that is twenty (20) years after the Rent Commencement Date (as defined in the Lease), subject to two (2) five (5) year options to extend (subject to the terms and conditions of the Lease), unless earlier terminated in accordance with the terms of the Lease.

1. Lease Terms. Landlord leases the Premises to City on the terms and conditions of the Lease, which are incorporated into this Memorandum by reference as if they were fully set forth in this Memorandum; the rights and obligations of Landlord and City are contained in the Lease. This Memorandum does not and will not be deemed to modify, alter, or amend the Lease in any way. If any conflict exists between the terms of the Lease and this Memorandum, the terms of the Lease will govern. Except as otherwise defined in this Memorandum, capitalized terms have the meanings given them in the Lease.

2. Successors and Assigns. This Memorandum and the Lease bind and will inure to the benefit of the parties and their respective heirs, successors, and assigns, subject, to the provisions of the Lease.

IN WITNESS WHEREOF, Landlord and City have executed this Memorandum of Lease as of the day and year first written above.

LANDLORD:

HUDSON 1455 MARKET STREET, LLC,
a Delaware limited liability company

By: Hudson 1455 Market, L.P.,
a Delaware limited partnership
its Member

By: Hudson 1455 GP, LLC,
a Delaware limited liability company,
its General Partner

By: Hudson Pacific Properties, L.P.
a Maryland limited partnership,
its Member

By: Hudson Pacific Properties, Inc.,
a Maryland corporation,
its General Partner

By: _____
Name: Mark Lammas
Title: President

Date: _____

CITY:

CITY AND COUNTY OF SAN FRANCISCO,
a municipal corporation,

By: _____
ANDRICO Q. PENICK
Director of Property

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
) ss
County of _____)

On _____ before me, _____,
personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
) ss
County of _____)

On _____ before me, _____,
personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
) ss
County of _____)

On _____ before me, _____,
personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

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EXHIBIT K

LIST OF CITY APPROVED APPRAISERS AND APPRAISAL INSTRUCTIONS

City and County of San Francisco
Real Estate Division
Real Estate Appraisal Services
New Panel - Effective 5/01/21 - 4/30/26

	Name		Address	City	State	Zip Code	Phone Number	Supplier ID
Appraisal Panel	Associated Right of Way Services		2300 Contra Costa Blvd #525	Pleasant Hill	CA	94523	(925)691-8500	0000024987
	Clifford Advisory, LLC		558 Presidio Blvd., #29525	San Francisco	CA	94129	(415)269-0370	0000003336
	Colliers International		101 Second Street, 11th Floor	San Francisco	CA	94105	(415)288-7854	0000035063
	*J. Kaeuper & Company		625 Market Street, Penthouse	San Francisco	CA	94105	(415)512-7034	0000018032
	Marsbach Associates, Inc		582 Market Street, Suite 217	San Francisco	CA	94104	(415)288-4101	0000015827
	*Mateo Advisors, Inc.		585 Market Street, Suite 607	San Francisco	CA	94104	(415)772-9200	0000015563
	** R. Blum and Associates		505 Sansome Street, Suite 850	San Francisco	CA	94111	(415)944-4441	0000012616
	Runde & Partners, Inc.		505 Montgomery Street, Suite 1034	San Francisco	CA	94111	(415)255-9914	0000011875
	The Doré Group, Inc.		1010 University Avenue, Suite C207	San Diego	CA	92103	(619)933-5040	
	Valbridge Property Advisors		55 South Market Street, Suite 1210	San Jose	CA	95113	(408)722-9125	
	Watts, Cohn and Partners, Inc.		582 Market Street, Suite 512	San Francisco	CA	94104	(415)777-2666	0000008448

* LBE (Micro) firm entitled to a 10% bid discount
** No rating bonus – Firm was not certified before the RFQ deadline

EXHIBIT L

ENVIRONMENTAL DISCLOSURES

See **Exhibit H**

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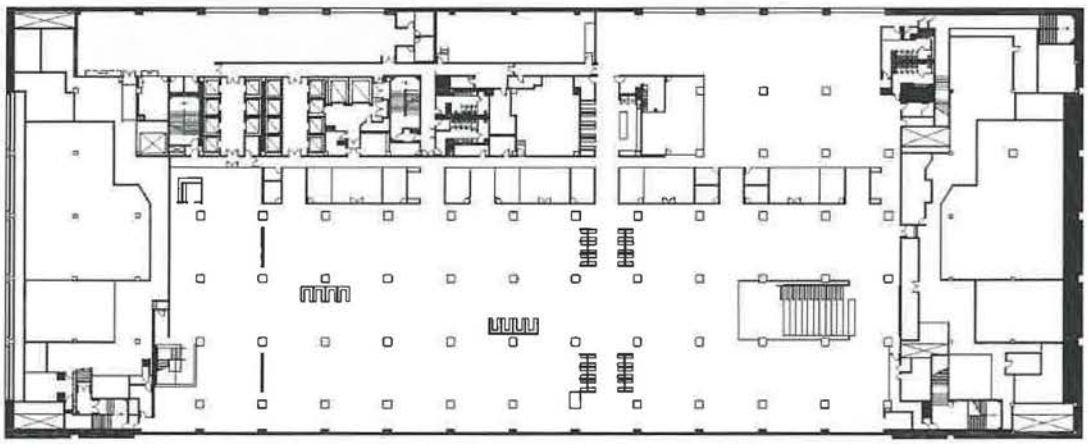
EXHIBIT M

TEMPORARY SWING SPACE

1455 MARKET STREET
LEVEL 08



Shaded Area = Premises