

Committee Item No. 11
Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget & Finance Sub-Committee

Date June 4, 2014

Board of Supervisors Meeting

Date _____

Cmte Board

<input type="checkbox"/>	<input type="checkbox"/>	Motion
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Resolution
<input type="checkbox"/>	<input type="checkbox"/>	Ordinance
<input type="checkbox"/>	<input type="checkbox"/>	Legislative Digest
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Budget and Legislative Analyst Report
<input type="checkbox"/>	<input type="checkbox"/>	Youth Commission Report
<input type="checkbox"/>	<input type="checkbox"/>	Introduction Form
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Department/Agency Cover Letter and/or Report
<input type="checkbox"/>	<input type="checkbox"/>	MOU
<input type="checkbox"/>	<input type="checkbox"/>	Grant Information Form
<input type="checkbox"/>	<input type="checkbox"/>	Grant Budget
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<input checked="" type="checkbox"/>	<input type="checkbox"/>	Form 126 – Ethics Commission
<input type="checkbox"/>	<input type="checkbox"/>	Award Letter
<input type="checkbox"/>	<input type="checkbox"/>	Application
<input type="checkbox"/>	<input type="checkbox"/>	Public Correspondence

OTHER (Use back side if additional space is needed)

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Completed by: Linda Wong Date May 30, 2014
Completed by: _____ Date _____

1 [Sublease of Real Property - 3450 Third Street - San Francisco Child Abuse Prevention
2 Center - Initial Monthly Rent \$22,113.10]

3 **Resolution retroactively authorizing the sublease of real property of approximately nine**
4 **years, with an effective date of April 1, 2014, for approximately 6,024 square feet of**
5 **space at 3450 Third Street, with the San Francisco Child Abuse Prevention Center, a**
6 **California nonprofit corporation, as sublessor, for use by the Children's Advocacy**
7 **Center of San Francisco through the Human Services Agency, at the initial monthly**
8 **rent of \$22,113.10 for the period from April 1, 2014, through March 31, 2015.**

9
10 WHEREAS, The Children's Advocacy Center of San Francisco (CAC) is a multi-party
11 collaborative project that will provide a coordinated response to an abused child to ensure that
12 all aspects of a child's physical, mental and emotional health are addressed; and

13 WHEREAS, The Human Services Agency will be the lead agency and work
14 collaboratively to provide services to the CAC with the San Francisco Child Abuse Prevention
15 Center (SFCAPC), a California nonprofit corporation, the Office of the City Attorney, the Office
16 of the District Attorney, the Police Department, and the Department of Public Health; and

17 WHEREAS, The SFCAPC entered into a Master Lease with 1238 Sutter Street, LLC
18 (Master Landlord), for real property located at 3450 Third Street for the CAC, with space to be
19 used by the City, California Pacific Medical Center's Bayview Child Health Center and the
20 Center for Youth Wellness, which are both nonprofit corporations; and

21 WHEREAS, The Real Estate Division at the request of the Human Services Agency
22 has negotiated a sublease for approximately 6,024 rentable square feet at 3450 Third Street
23 (the Premises) for a term of approximately nine years commencing retroactively on April 1,
24 2014, and terminating on March 26, 2023, to accommodate the CAC's multi-agency staff and
25 allow coordinated services to be provided to CAC clients in a confidential and supportive

1 environment, which sublease will be substantially in the form on file with the Clerk of the
2 Board of Supervisors in File No. 140560 and is incorporated herein by reference (Sublease);
3 and

4 WHEREAS, The fully serviced fair market rent for the first sublease year shall be
5 \$22,113.10 subject to yearly escalation rates of 3%, with City paying its pro rata share of any
6 increased operating expenses; and

7 WHEREAS, The turn key facility will provide sufficient private offices required for
8 confidential meetings, forensic interview space, multidisciplinary case conferences, training
9 and peer review, medical exam rooms, mental health evaluations, and conference rooms for
10 use as training as well as staff meetings, including required technology and clinical sound
11 proofing; and,

12 WHEREAS, City staff will be able to utilize the childcare facility for clients and
13 additional large training and conference spaces throughout the building and have access to
14 eight parking spaces under the Sublease; now, therefore be it

15 RESOLVED, That the Board of Supervisors authorizes the Director of Property to take
16 all actions, on behalf of the City, to enter into the Sublease and any amendments or
17 modifications (including without limitation, the exhibits) to the Sublease on the terms and
18 conditions herein and form approved by the City Attorney that the Director of Property
19 determines, in consultation with the City Attorney are in the best interest of the City, do not
20 increase the rent or otherwise materially increase the obligations or liabilities of the City, are
21 necessary or advisable to effectuate the purposes of the Sublease or this resolution, and are
22 in compliance with all applicable laws, including City's Charter; and, be it

23 FURTHER RESOLVED, That the fully-serviced base monthly rental for the term shall
24 be \$22,113.10 subject to annual escalation of 3%, with City paying its pro rata
25

1 share of increased operating expenses and applicable parking taxes; and be it

2 FURTHER RESOLVED, That the Sublease for the Premises shall be for a term of
3 approximately nine years commencing retroactively April 1, 2014, and terminating on March
4 26, 2023, subject to City's right to terminate the Sublease at any time after March 26, 2018, by
5 providing to the SFCAPC one (1) year prior written notice and reimbursement of unamortized
6 tenant improvements as a termination fee as set forth in the Sublease; and, be it

7 FURTHER RESOLVED, That the Sublease shall include language for City to
8 indemnify, defend and hold harmless the SFCAPC and its directors, supervisors, volunteers,
9 agents, employees, officers and contractors (Indemnified Parties) from and against any and
10 all claims, losses, liabilities, costs, expenses and damages, whether insured against or not,
11 including, without limitation, reasonable attorneys' fees and disbursements and any Master
12 Landlord claims, made against or incurred by any of the Indemnified Parties as a result of (a)
13 City's use of the Premises, (b) any default by City in the performance of any of its material
14 obligations under the Sublease, or (c) any negligent acts or omissions of SFCAPC or its
15 Agents in, on or about the Premises; provided, however, City shall not be obligated to
16 Indemnify any Indemnified Party to the extent any claim arises out of the gross negligence or
17 willful misconduct of an Indemnified Party; and, be it

18 FURTHER RESOLVED, That any action taken by any City employee or official with
19 respect to the Sublease as set forth herein is hereby ratified and affirmed; and, be it,

20 FURTHER RESOLVED, That within 30 days of the Sublease being fully executed by all
21 parties the Director of Property shall provide the Sublease to the Clerk of the Board for
22 inclusion in the official file; and, be it

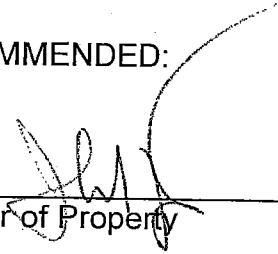
23 FURTHER RESOLVED, That the City shall have the right to occupy the Premises as
24 described in the Sublease from April 1, 2014, through March 26, 2023, subject to the
25 appropriation of sufficient funds to pay for City's Sublease obligations by the Board of

Supervisors and Mayor in their sole and absolute discretion, and if such funds are not appropriated in any subsequent fiscal year, City may terminate Sublease at no cost with written notice to Sublessor.

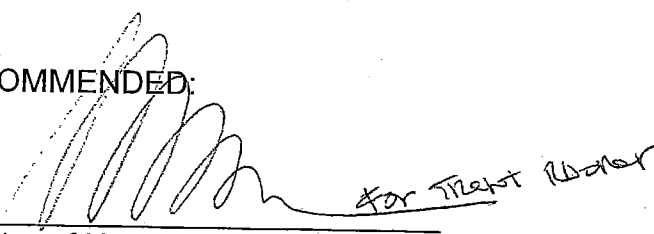
\$66,339.30 Available For FY 2013-2014
Appropriation No. 45FCOH/03011


Controller

RECOMMENDED:


Director of Property

RECOMMENDED:

 for Trept Rector
Director of Human Services Agency

STEVE ARCELONA

Mayor Lee
Supervisor Cohen
BOARD OF SUPERVISORS

Item 11
File 14-0560

Departments:
Human Services Agency (HSA)
Real Estate Division

EXECUTIVE SUMMARY

Legislative Objectives

- The proposed resolution would authorize the retroactive approximately nine year sublease effective April 1, 2014 through March 26, 2023 of approximately 6,024 square feet at 3450 Third Street between the City through the Human Services Agency (HSA), with the San Francisco Child Abuse Prevention Center (SFCAPC), a nonprofit organization, to provide a new Children's Advocacy Center at an initial monthly rent of \$22,113.

Key Points

- Currently, SFCAPC has a remaining nine-year lease with 1238 Sutter Street LLC for the entire 3-floor building at 3450 Third Street at a cost of \$24,723 per month. In 2013, SFCAPC expended \$3.8 million of grant funds to create a new 9,385 square foot Child Advocacy Center at 3450 Third Street, including forensic interview rooms, medical exam rooms, childcare facilities, conference rooms, training facilities, private and shared offices and parking. This Child Advocacy Center is a multi-partner, collaborative effort with five City departments (Human Services Agency, Department of Public Health, Police Department, District Attorney and City Attorney) to coordinate responses for abused children, such as criminal and child protection investigations, medical exams, interviews, mental health evaluations, family support, victim advocacy and parent education.

Fiscal Impact

- The proposed resolution would retroactively approve a new approximately nine-year sublease between the City, acting on behalf of HSA, and SFCAPC at a cost of \$22,113 per month in rent, or a total of \$265,356 the first year. The total first year cost includes \$147,286 for the base rent and first year's operating costs and \$118,070 to amortize the City's share of tenant improvements of approximately \$1.1 million. The total \$265,356 annual cost reflects a rate of \$44.05 per square foot for the 6,024 square feet of space.
- The base rent will increase annually by three percent, such that HSA is projected to pay SFCAPC a total of \$2,823,304 over the approximately nine-year term of the sublease.
- HSA will fund the total of \$265,356 in the first year with approximately 23% Federal funds (\$61,032), 6% State funds (\$15,921) and 71% City General Funds (\$188,403).

Recommendations

- Amend the proposed resolution to add a further resolved clause that it is the policy of the Board of Supervisors that leases should be submitted to the Board for approval prior to the effective date of the leases and prior to the department(s) occupying the leased and/or subleased premises.
- Approve the proposed resolution as amended.

MANDATE STATEMENT / BACKGROUND**Mandate Statement**

San Francisco Administrative Code Section 23.27 requires Board of Supervisors approval by resolution of all leases (and subleases) on behalf of the City as tenant.

Background

The San Francisco Child Abuse Prevention Center (SFCAPC), a nonprofit organization, dedicated to preventing child abuse, entered into an initial 18-month lease with 1238 Sutter Street LLC on September 1, 2011 for a base rent of \$13,500 per month for a portion of the building at 3450 Third Street to develop a multi-disciplinary and integrated child advocacy and wellness center. The 3450 Third Street building is located in the Bayview neighborhood, just south of Islais Creek, near Evans Avenue. The original lease included an option for SFCAPC to (a) expand the lease to the entire building and (b) purchase the building. To date, there have been five amendments to the lease¹ to extend the term, expand the lease to include the entire building, increase the rent, modify liability and other provisions, and provide additional repairs and tenant improvements. Currently, this lease between SFCAPC and 1238 Sutter Street LLC is for the entire 3-floor, approximately 26,094 square foot building, including ground floor parking at 3450 Third Street at a base rent of \$24,723 per month and extending through March 26, 2023.

In 2013, SFCAPC expended approximately \$3.8 million of grant funds to complete major capital tenant improvements to the 3450 Third Street leased building to create a Child Advocacy Center comprising approximately 9,385 square feet, including forensic interview rooms, medical exam rooms, childcare facilities, conference rooms with state of the art technology, training facilities, private and shared offices and parking. This Child Advocacy Center at 3450 Third Street, which has now been created under the auspices of SFCAPC, is intended to be a multi-partner, collaborative effort with five City departments to coordinate the responses for an abused child, including criminal and child protection investigations, forensic medical exams and interviews, mental health evaluations, family support and victim advocacy and parent education. The five City departments include:

- Human Services Agency (Child Protective Services);
- District Attorney's Office (Child Abuse Unit Prosecution, Coordinator/Forensic Interviewer and Victim Advocates);
- Department of Public Health (Child and Adolescent Support Advocacy and Resource Center (CASARC), Medical Services and Mental Health Services);
- Police Department (Juvenile Division); and
- City Attorney (Child welfare and dependency).

¹ The first amendment is dated October 19, 2011, the second amendment is dated December 13, 2012, the third amendment is dated February 28, 2013, the fourth amendment is dated March 27, 2013 and the fifth amendment is dated September 7, 2013.

These major tenant improvements reduced the overall 26,094 square foot building at 3450 Third Street to approximately 18,572 square feet of rentable space. SFCAPC also subleases space to two other nonprofit organizations, the Center for Youth Wellness which occupies 4,525 square feet of space, and California Pacific Medical Center (CPMC) Child Health Center which occupies 4,662 square feet of space. As of the writing of this report, the Real Estate Division provided confidential information on the rent per square foot that each of these two nonprofit organizations are currently paying to SFCAPC, which are consistent with the proposed sublease. The existing use of the total 18,572 square feet of rentable space at 3450 Third Street is shown in Table 1 below:

Table 1: Existing Square Footage at 3450 Third Street

Organization	Square Footage
Total Child Advocacy Center	9,385
(City Portion of Child Advocacy Center-subject of the proposed sublease)	(6,024)
CPMC Child Health Center	4,662
Center for Youth Wellness	4,525
Total	18,572

DETAILS OF PROPOSED LEGISLATION

The proposed resolution would authorize the approval of an approximately nine-year sublease retroactive from April 1, 2014 through March 26, 2023 of 6,024 square feet of space at 3450 Third Street between the City, through the Human Services Agency (HSA), and the San Francisco Child Abuse Prevention Center (SFCAPC), a nonprofit organization, to provide a new Children's Advocacy Center of San Francisco at an initial monthly rent of \$22,113.

Major Sublease Provisions

Although the proposed sublease would provide space for five City departments (HSA, DPH, Police, District Attorney and City Attorney) to cooperatively provide a Children's Advocacy Center, the sublease is with HSA on behalf of the City, because HSA would have the majority of exclusive space and permanent staff in this facility and HSA could potentially allocate state and federal funds to offset a portion of the cost of this sublease. Table 2 below summarizes the main provisions of the proposed sublease between the City (HSA) and SFCAPC.

Table 2: Summary of Proposed Major Sublease Terms

Location	3450 Third Street
Square Feet	6,024 square feet on third floor
Term	Approximately nine years from April 1, 2014 through March 26, 2023
Uses	Private offices, forensic interview space, medical exam rooms, conference and training rooms and 8 parking spaces
Options to Terminate	After March 26, 2018, with one year's notice, approved resolution and reimbursement of unamortized tenant improvements
Rates per Square Foot (psf)	\$3.67 psf/month \$44.05 psf/year
Initial Base Monthly Rent	\$22,113
First Year Base Total Rent	\$265,356
Annual Rent Increases	Three percent annually
Operating Expenses	Included in first year base rent, with pass through of actual increases over base year
Tenant Improvements	Amortized in base rent

The proposed 6,024 square foot sublease includes exclusive-use space for City private offices, medical exam rooms, forensic interview space and conference rooms as well as shared-use space for a childcare facility, other interview spaces, large training room and conference spaces.

As noted above, SFCAPC expended approximately \$3.8 million of grant funds for tenant improvements to this 3450 Third Street building in 2013. According to Mr. Charlie Dunn of the Real Estate Division, approximately \$1.1 million of the overall tenant improvements would be reimbursed to SFCAPC by the City under the proposed sublease base rent amortized over the nine year sublease term, which represents the City's share of the tenant improvements.

Under the proposed sublease, the City could terminate at any time on or after March 26, 2018 by (a) giving SFCAPC at least a one year prior written notice, (b) providing an approved resolution from the Board of Supervisors and Mayor within 90 days of the written termination notice, and (c) paying a termination fee based on reimbursement of the unamortized portion of the City's share of the tenant improvements.

The operating expenses which are included in the first year base rent include the cost of electricity, water, heating, mechanical, escalator and elevator systems, utilities, janitorial, refuse and recycling services, security, insurance, management fees, taxes, all labor, equipment and material costs for repairs and any other reasonable expenses related to the management, administration, operation, maintenance or repair of the premises. After the first year, any actual prorated increases in operating expenses would be passed-through to be paid by the City.

As noted above, the existing lease between SFCAPC and 1238 Sutter Street LLC includes an option for SFCAPC to purchase the building during the lease term which expires on March 26, 2023. Under the proposed nine-year sublease between SFCAPC and the City, if SFCAPC exercises this option to purchase the building, the proposed sublease terms would remain in effect.

Five City Departments Use of Sublease Space

According to Mr. David Curto, Director of Contracts and Facilities for the Human Services Agency (HSA), the five City departments that are part of the Child Advocacy Center operate under inter-agency memorandum of understanding agreements, which provide the overall model for the Child Advocacy Center's multidisciplinary child abuse intervention response. Under this model, an abused child would only have to be interviewed once (with one-way mirrors to allow other child-support staff to observe in adjacent rooms), rather than multiple interviews at different locations (i.e., Child Protective Services, San Francisco General Hospital, Police station, District Attorney's Office). Mr. Curto notes that this model is an effort to reduce the trauma on the child, by providing multiple health, support, education and criminal responses, which should allow the abused child's healing process to begin sooner.

Table 3 below summarizes the breakdown of the exclusive-use space for four of the five City departments² and the shared-use space among the City departments and the SFCAPC.

Table 3: Square Footage Space to be Subleased by City Departments

City Departments	Square Footage
Human Services Agency	1,327
District Attorney	641
Police Department	317
Public Health	639
Coordinator ³	336
CAC Director	309
Subtotal Exclusive Space	3,569
Shared Space (conference rooms, interview rooms, observation rooms, file storage areas, waiting rooms, etc.)	2,455
Total Subleased Space	6,024

² The City Attorney will not have dedicated exclusive-use space, but will have use of the shared-use space at 3450 Third Street.

³ The Coordinator is a District Attorney's Office position, funded through the Human Services Agency.

According to Mr. Curto, the Child Advocacy Center opened in December of 2013 and HSA moved 11 existing permanent HSA Child Protective Services staff into the 3450 Third Street facility in mid- January of 2014 from a previous leased space on 225 Valencia Street. In addition, CASARC, under the Department of Public Health, has two existing staff assigned to this facility, who were previously assigned to San Francisco General Hospital. Mr. Curto advises that the proposed sublease is not intended to result in any new staff being required from any City department; while the other City departments (i.e., Police, District Attorney and City Attorney) have specified space assigned to them, these departments would only staff their space as needed, depending on the child abuse case.

FISCAL IMPACTS

Costs for Proposed Sublease

The proposed resolution would approve a new approximately nine-year sublease between the City, acting on behalf of HSA, and SFCAPC in which HSA will pay \$22,113 per month in rent, or a total of \$265,356 the first year, which includes \$147,286 for the base rent and first year's operating costs and \$118,070 to amortize the City's share of tenant improvements or approximately \$1.1 million. As shown in Table 4 below, this reflects an overall annual rate of \$44.05 per square foot for the 6,024 square feet of space.

Table 4: Total Annual Cost and Square Foot Costs for 6,024 Square Feet for Sublease

	Total Annual Cost	Cost per square foot
Base Rent	\$147,286	\$24.45
Tenant Improvements	118,070	19.60
Total	\$265,356	\$44.05

Ms. Marta Bayol of the Real Estate Division advises that the proposed sublease, which includes highly specialized tenant improvements, represents the fair market rent.

Per the provisions of the sublease, the base rent will increase annually by three percent, and the operating expenses are projected to increase as shown in Table 5 below. As summarized in Table 5 below, HSA is projected to pay to SFCAPC a total of \$2,823,304 over the approximately nine-year term of the proposed sublease.

Table 5: Total Rent and Estimated Operating Expenses to be Paid by HSA to SFCAPC

Lease Year	Monthly Rent	Annual Rent (includes 3% annually)	Estimated Operating Costs	Total Sublease Costs
2014-15	\$22,113	\$265,356	\$0	\$265,357
2015-16	22,776	273,312	3,543	276,855
2016-17	23,460	281,520	7,085	288,605
2017-18	24,163	289,956	10,629	300,585
2018-19	24,888	298,656	14,171	312,827
2019-20	25,635	307,620	17,714	325,334
2020-21	26,404	316,848	21,256	338,104
2021-22	27,196	326,352	24,799	351,151
2022-23	28,012	<u>336,144</u>	<u>28,342</u>	<u>364,486</u>
Total		\$2,695,764	\$127,539	\$2,823,304

Termination of the Sublease

Under the proposed sublease, the City could terminate at any time on or after March 26, 2018 by (a) giving SFCAPC at least a one year prior written notice, (b) providing an approved resolution from the Board of Supervisors and Mayor within 90 days of the written termination notice, and (c) paying a termination fee based on reimbursement of the unamortized tenant improvements. If the termination date were to be effective as of March 26, 2018, the termination fee would be \$632,513. As shown above, the City is reimbursing the SFCAPC \$118,070 annually for the tenant improvements, such that the termination fee would be reduced by this amount each year.

Source of Funding

As noted above, because HSA has the majority of the space and permanent staff to be located at the 3450 Third Street facility and can use some state and federal funds to offset a portion of the lease costs, HSA will be the master tenant under the proposed sublease. Mr. Curto advises that HSA will fund the first 2014-15 lease year rent and operating costs of \$265,356 with approximately 23% Federal funds (\$61,032), 6% State funds (\$15,921) and 71% City General Funds (\$188,403). These new costs would be funded in the proposed FY 2014-15 Human Services Agency budget.

Retroactive Approval of Sublease

Although the Children's Advocacy Center has been undergoing tenant improvements for over a year and has been operational since December of 2013, Mr. Dunn advises that the proposed sublease is being requested on a retroactive basis to April 1, 2014. Mr. Dunn advises that the Real Estate Division did not have sufficient time to complete this complicated transaction in time to submit this resolution to the Board of Supervisors prior to the commencement of this sublease on April 1, 2014.

Although the proposed lease would be retroactive to April 1, 2014, as noted above, HSA moved into their space in early January of 2014. Mr. John Updike of the Real Estate Division advises that the proposed lease would be retroactive to April 1, 2014, although HSA began occupying

the facility in mid-January 2014 because the space was ready to occupy and the new program was ready to commence. Therefore, Mr. Curto advises that because HSA began occupying the space in early January, HSA will reimburse \$66,339 to SFCAPC, under an existing separate agreement that HSA has with SFCAPC to provide a Child Abuse Hotline, for the sublease costs from January 1, 2014 through March 31, 2014, before the official commencement of the subject lease, to cover the City's share of the cost for this three-month period.

In accordance with Administrative Code Section 23.27, the Board of Supervisors is required to approve all leases on behalf of the City as tenant, by resolution. However, if the Board of Supervisors approves the proposed resolution, the subject sublease would be retroactive to April 1, 2014, over two months ago. Furthermore, HSA moved into the subleased space in early January 2014, or six months ago, and as noted above, will be liable for the rental costs for the City effective January 1, 2014. The Real Estate Division should be required to bring all leases and subleases to the Board of Supervisors on a prospective, not retroactive basis. Therefore, the proposed resolution should be amended to add a further resolved clause that it is the policy of the Board of Supervisors that leases should be submitted to the Board for approval prior to the effective date of the leases and prior to the department(s) occupying the leased and/or subleased premises.

RECOMMENDATIONS

1. Amend the proposed resolution to add a further resolved clause that it is the policy of the Board of Supervisors that leases should be submitted to the Board for approval prior to the effective date of the leases and prior to the department(s) occupying the leased and/or subleased premises.
2. Approve the proposed resolution as amended.



Edwin M. Lee, Mayor
Naomi M. Kelly, City Administrator



John Updike
Director of Real Estate

May 19, 2014

Through Naomi Kelly,
City Administrator

Honorable Board of Supervisors
City and County of San Francisco
City Hall, Room 244
1 Carlton B. Goodlett Place
San Francisco, CA 94102

Re: Proposed Sublease of Space at 3450 Third Street

Dear Board Members:

Attached for your consideration is a Resolution authorizing the sublease of a specialized facility located at 3450 Third Street, San Francisco, California comprising approximately 6,024 rentable square feet on behalf of the Children's Advocacy Center ("CAC"), a newly formed collaborative effort created in partnership with the San Francisco Child Abuse Prevention Center ("SFCAPC"), and the City and County of San Francisco ("City") through the Office of the City Attorney, Office of the District Attorney, Human Services Agency, San Francisco Police Department and the Department of Public Health. The CAC is a multi-partner collaborative project that will provide a coordinated response to an abused child, including criminal and child protection investigation, forensic medical exams and interviews, mental health evaluation, family support and victim advocacy and parent education

The proposed sublease allows the CAC to accommodate their multi-agency staff, provides sufficient private offices and forensic interview rooms required for confidential meetings, medical exam room and conference rooms equipped with state of the art technology that will be used for training, peer review and multidisciplinary case conferences as well as staff meetings on the third floor. In addition, City staff will be able to utilize the childcare facility for clients and large training and conference spaces throughout the building.

The premises at 3450 Third Street meet all of the CAC's requirements for size, location, accessibility to transit, and co-location with pediatric services via California Pacific Medical Center's Bayview Child Health Center which can receive direct referrals for CAC clients and the Center for Youth Wellness which can provide access to mental health and wellness services.

After an extensive search, 3450 Third Street, proved to be the best location for a number of reasons:

- Located within the Bayview/Southeast sector of the City to ensure services are located where the majority of families with children currently live or are projected to live within the next ten years per an analysis from Human Services Agency.
- Accessibility to transit for families and partners.
- Proximity to SF General Hospital
- Multiple entrances required to allow children already in care of City to arrive without passing through lobby and staff entrances.

The proposed sublease is for a term of approximately nine (9) years commencing upon approval of the transaction and terminating on March 26, 2023, subject to City's right to terminate the Sublease at any time on or after March 26, 2018, by delivering no less than one (1) year's prior written notice to Sublessor and reimbursement of unamortized tenant improvements as a termination fee as set forth in the Sublease.

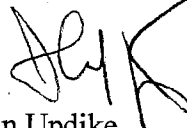
The base monthly rent is \$22,113.10 (\$3.67/s.f.) fully serviced with a yearly escalation rate of 3%. The rent also includes 8 parking spaces for City vehicles. The turn-key facility was designed and constructed to meet the specialized needs of the clients which include but are not limited to security, privacy, medical exam rooms, and forensic interview space while maintaining a family friendly environment.

The CAC serves children City-wide where there is a case of suspect physical or sexual abuse and is available to serve children that have been exposed to other forms of trauma. Approximately 800 CAC exists nationally and significant research has been done to evaluate their effectiveness. One cost-benefit analysis concluded that although CAC's have somewhat operating costs, CAC's create a 41% savings across the public system through improved coordination and reduction in duplication of services.

The CAC's collaborative program draws together representatives from child protective services, law enforcement, prosecution, medical, mental health, and family and/or victim advocacy to ensure that all aspects of a child's physical, mental and emotional health are addressed.

We recommend approval of the proposed sublease. If you have any questions regarding this matter, please contact Marta Bayol at 554-9865 or David Curto at 557-5581

Respectfully,



John Updike
Director of Real Estate

cc: David Curto, HSA

SUBLEASE AGREEMENT

This SUBLEASE AGREEMENT (this "Sublease"), dated for reference purposes as of April 1, 2014, is by and between SAN FRANCISCO CHILD ABUSE PREVENTION CENTER, a California nonprofit corporation ("Sublessor") and THE CITY AND COUNTY OF SAN FRANCISCO ("Sublessee" or "City"), a municipal corporation.

RECITALS

A. 1238 Sutter Street, LLC, a California limited liability company ("Master Lessor") owns that certain real property located at 3450 Third Street, San Francisco, California further described as Block 5211, Lot 032 and Lot 033 (the "Property").

B. Sublessor leases the Property (the "Premises") pursuant to that certain Standard Multi-Tenant Office Lease - Gross, dated as of September 1, 2011, by and between and Sublessor and Master Lessor (the "Original Lease"), as amended by that certain First Amendment to Lease dated as of October 19, 2011, that certain Second Amendment to Lease dated as of December 13, 2012, that certain Third Amendment to Lease dated as of February 28, 2013, that certain Fourth Amendment to Lease dated as of March 27, 2013, and that certain Fifth Amendment to Lease dated as of September 7, 2013 (as amended, the "Master Lease"). The Premises are described in the Master Lease and comprised of approximately 26,094 square feet.

C. The Master Lease granted Sublessor an expansion option with respect to a portion of the Property that was not originally part of the Premises, which expansion option Sublessor exercised on October 26, 2012. The Master Lease grants Sublessor associated parking and other rights in the Property.

D. Sublessor has divided the Premises into the "Building Amenity Area", the "Building Service Area", the "Parking Areas" (collectively the "Non-Exclusive Areas"), the "Occupant Storage", the "Reserved Premises", the "Subleased Premises", the "CYW Partner Premises," and the "CPMC Partner Premises," all as shown on Exhibit A attached hereto and incorporated herein by this reference.

E. Sublessee desires to exclusively sublease from Sublessor the Subleased Premises, which is comprised of approximately 6,024 square feet, and the non-exclusive license to use the Non-Exclusive Areas. Sublessor has agreed to sublease the Subleased Premises to Sublessee and to grant such license to the Non-Exclusive Areas upon the terms, covenants and conditions herein set forth.

In consideration of the mutual covenants contained herein, and for valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows.

AGREEMENT

1. Sublease; License.

1.1. Sublessor hereby subleases and demises to Sublessee and Sublessee hereby hires and takes from Sublessor the Subleased Premises subject to the terms, conditions and covenants contained in this Sublease. Sublessor shall deliver the Subleased Premises to Sublessee in a

broom clean and good condition on the Effective Date. The acceptance of possession of the Subleased Premises by Sublessee shall be conclusive evidence as against Sublessee that, at the time such possession was so taken, the Subleased Premises were in a broom clean and good condition.

1.2. Sublessor hereby grants Sublessee a non-exclusive license to use Amenity Area and Building Service Area during the term of this Sublease subject to the terms, conditions and covenants contained in this Sublease. The Building Amenity Area will be used exclusively at different times in connection with the Agreed Use (as defined in the Master Lease) by (i) Sublessor, (ii) the Center for Youth Wellness, (iii) Sutter Pacific Medical Foundation, (iv) Sublessee, and (v) each of their successors and assigns (each, a "Participating Party" and collectively, the "Participating Parties"). The Building Service Area is comprised of the common area space within the Property that is used non-exclusively by the Participating Parties (e.g. hallways, bathrooms, lobbies).

2. Term.

2.1. The term of this Sublease (the "Sublease Term") shall commence on April 1, 2014 (the "Commencement Date"). Subject to the provisions of this Sublease, the Sublease Term shall expire at 11:59 p.m. San Francisco time on March 26, 2023 unless the Master Lease is earlier terminated by either Master Lessor or Sublessor or earlier expires pursuant to the terms of the Master Lease, in which case the Sublease Term shall expire on such earlier date (the "Sublease Expiration Date"). In no event shall the Sublease Expiration Date exceed the date on which the Master Lease expires or earlier terminates. Sublessor represents and covenants that it timely exercised its right to extend the term of the Master Lease pursuant to the terms of the Master Lease and the current term of the Master Lease expires on March 26, 2023 (the "Master Lease Expiration Date").

2.2. Sublessee acknowledges that Sublessor has certain rights under the Master Lease to terminate the Master Lease prior to the Master Lease Expiration Date (each, an "Early Termination Right"). Sublessor agrees that it shall not exercise any Early Termination Right without delivering written notice of such exercise to Sublessee at the same time such notice is delivered by Sublessor to Master Lessor. Sublessee acknowledges in the event Sublessor exercises the Early Termination Right under the Master Lease, this Sublease shall terminate coterminous with the termination of the Master Lease. Subject to Section 2.4 of this Sublease, Sublessor agrees that it shall be solely responsible for paying any termination fees that Sublessor may owe to Master Lessor for exercising an Early Termination Right, and Sublessee shall have no obligation to reimburse Sublessor for any such fees.

2.3. Sublessee acknowledges that Sublessor has the right under the Master Lease to purchase the Premises at any time during the term of the Master Lease. In the event that Sublessor purchases the Premises during the term of this Sublease, this Sublease shall remain in effect, and, at Sublessor's option, Sublessee shall enter into a new lease with Sublessor on the same terms and conditions as this Sublease.

2.4. Sublessee's Early Termination Option. Sublessee may terminate this Sublease (the "Sublessee's Early Termination Option") at any time on or after March 26, 2018, by delivering (i) no less than one (1) year's prior written notice to Sublessor (the "Termination Notice") of its exercise of Sublessee's Early Termination Option and (ii) a resolution from Sublessee's Mayor and Board of Supervisors ratifying the delivery of the Termination Notice within ninety (90) days of Sublessee's delivery of the Termination Notice. If Sublessee delivers a Termination Notice, but does not deliver such resolution within such ninety (90) day period, such Termination Notice shall automatically be nullified. If Sublessee exercises the Sublessee's Early Termination Option, Sublessee shall pay the Termination Fee (defined as follows) on or before the Sublease termination date specified in the Termination Notice (the "Specified Termination Date"). If the

Specified Termination Date is March 26, 2018 (the "Initial Eligible Termination Date"), the "Termination Fee" shall be \$632,513.33 (the "Full Termination Amount"). If the Specified Termination Date is after the Initial Eligible Termination Date, the "Termination Fee" shall be reduced by (i) the number of days by which the Specified Termination Date exceeds the Initial Eligible Termination Date multiplied by (ii) 346.5826301. By way of example, if the Specified Termination Date is March 31, 2019, the "Termination Fee" shall be \$504,277.76. Sublessor acknowledges that the Sublessee's Early Termination Option is in addition to City's termination rights under Section 33.3 below, and notwithstanding City's obligation to pay the Termination Fee for exercising the Sublessee's Early Termination Option pursuant to this Section, City shall have no obligation to pay the Termination Fee, or any other fee or compensation to Sublessor if City terminates this Sublease pursuant to Section 33.3 below.

2.5. Sublessor represents that, as of the date first written above, to Sublessor's knowledge, the Master Lease is in full force and effect and neither Sublessor nor Master Lessor is in default thereunder.

3. Rent.

3.1. Fixed Monthly Rent. Sublessee shall pay rent during the Sublease Term to Sublessor in the monthly amount of \$22,113.10, which amount shall increase by three percent (3%) on each anniversary of the Commencement Date during the Sublease Term (as adjusted, "Fixed Monthly Rent"). Commencing on the first day of the month immediately following the Effective Date, the Fixed Monthly Rent shall be payable on or before the first day of each month, in advance, at the address specified in Section 3.10 below. If the expiration of the Sublease Term occurs on a day other than the last day of a calendar month, then the monthly payment of the Fixed Monthly Rent for such fractional month shall be prorated based on a thirty (30)-day month.

3.2. Additional Charges. Sublessee shall pay to Sublessor any charges or other amounts required under this Sublease as additional rent ("Additional Charges"), including any charges for Operating Costs as provided for hereinbelow. All such Additional Charges shall be payable to Sublessor at the place where the Fixed Monthly is payable. Sublessor shall have the same remedies for a default in the payment of any Additional Charges as for a default in the payment of Fixed Monthly Rent. The Fixed Monthly Rent and Additional Charges are sometimes collectively referred to below as "Rent."

3.3. Definitions. For purposes hereof, the following terms shall have the meanings hereinafter set forth:

(a) "Base Year" means the period between January 1, 2014, and December 31, 2014.

(b) "City's Percentage Share" means the 64.2%.

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

(d) "Operating Costs" means the total reasonable and prudent costs and expenses actually paid or incurred by Sublessor in connection with the management, operation, maintenance and repair of the Premises in performing its obligations under the Master Lease or this Sublease, including, but not limited to: (1) the cost of air conditioning, electricity, steam, water, heating, mechanical, telephone, ventilating, escalator and elevator systems and all other

utilities and refuse and recycling services, (2) the cost of repairs and all labor and material costs related thereto, and the cost of general maintenance, cleaning and service contracts and the cost of all supplies, tools and equipment required in connection therewith, (3) the cost incurred by Sublessor for all insurance required to be carried on the Building or the use or occupancy thereof, (4) wages, salaries, payroll taxes and other labor costs and employee benefits relating to employees of Sublessor or its Agents (as defined in Section 10 below) engaged in the operation, repair, or maintenance of the Premises, allocated in proportion to the percentage of such person's working time actually spent working in connection with the Premises, (5) reasonable management fees, (6) fees, charges and other costs of all independent contractors engaged by Sublessor, allocated in proportion to the percentage of such person's working time actually spent working in connection with the Premises, (7) homeowner association fees for the Premises, (8) the cost of security services and alarm systems reasonably required for the Premises, (9) Real Estate Taxes, and (10) any other expenses reasonably incurred in connection with the management, operation, maintenance or repair of the Premises (other than any services for which Sublessor is separately and directly reimbursed by Sublessee or other subtenants in the Premises) which would, under generally accepted accounting principles, be considered an operating expense. The computation of Operating Costs shall be made in accordance with generally accepted accounting principles. Notwithstanding the foregoing, "Operating Costs" shall exclude the items described on the attached Exhibit B. The budget for Operating Costs for Base Year is attached hereto as Exhibit E. Notwithstanding anything to the contrary in this Sublease, "Operating Costs" shall include the items described on Exhibit E.

(e) "Real Estate Taxes" means all taxes, assessments and charges levied upon or with respect to the Premises that Sublessor is required to pay under the Master Lease or Sublessor's interest in the Premises. Real Estate Taxes shall include, without limitation, all general real property taxes and general and special assessments, charges, fees, or assessments for transit, housing, police, fire, or other governmental services thereof, service payments in lieu of taxes that are now or hereafter levied or assessed against Sublessor by the United States of America, the State of California or any political subdivision thereof, public corporation, district, or any other political or public entity, and shall also include any other tax, fee or other excise, however described, that may be levied or assessed as a substitute for, or as an addition to, in whole or in part, any other Real Estate Taxes. Notwithstanding the foregoing, Real Estate Taxes shall exclude (1) franchise, transfer, inheritance, gross receipts, or capital stock taxes or income taxes of Sublessor from all sources unless, due to a change in the method of taxation, any of such taxes is levied or assessed against Sublessor 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 Sublessee's failure to pay its portion of Real Estate Taxes hereunder, (3) any personal property taxes payable by Sublessee hereunder or by any other tenant or occupant of the Premises, or (4) any increase in Real Estate Taxes due to any reassessment upon a transfer of any of Sublessor's interest in the Premises or Sublessor's interest in the real property on which the Premises is located provided that any increase in Real Estate Taxes due to any reassessment upon a transfer of Master Lessor's interest in the real property on which the Premises is located shall not be excluded from Real Estate Taxes.

3.4. Payment of Percentage Share of Operating Costs. During the Sublease Term, commencing after the end of the Base Year, Sublessee shall pay to Sublessor 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. On or before each December 1 of the Sublease Term, Sublessor shall deliver to Sublessee a written estimate, with reasonable details, of any anticipated increases of Operating Costs for the following Expense Year over Operating Costs for the Base Year. Sublessee shall make such payments, in advance, in an amount estimated by Sublessor in such written estimate delivered to Sublessee. Sublessor may revise such estimates of Operating Costs from time to time and Sublessee shall thereafter make payments on the basis of such revised estimates, provided that no

such revisions shall be retroactive and Sublessor may not make any such revisions more than twice in any given Expense Year and no such revision may be made any earlier than four (4) months subsequent to the prior estimate for such Expense Year. With reasonable promptness not to exceed ninety (90) days after the expiration of each Expense Year, Sublessor shall furnish Sublessee with a statement (herein called the "Expense Statement"), prepared by a qualified professional (who, for purposes of clarity, need not be an independent certified public accountant) in accordance with generally accepted accounting procedures ("GAAP"), setting forth in reasonable detail the Operating Costs for such Expense Year and City's Percentage Share thereof. If City's Percentage Share of the actual Operating Costs for such Expense Year exceeds the estimated Operating Costs paid by Sublessee for such Expense Year, Sublessee shall pay to Sublessor (whether or not this Sublease has terminated) the difference between the amount of estimated Operating Costs paid by Sublessee and City's Percentage Share of the actual Operating Costs within thirty (30) days after the receipt of the Expense Statement. If the total amount paid by Sublessee for any such Percentage Share of Operating Costs exceeds City's Operating Costs Share of the actual Operating Costs for such Expense Year, such excess shall be credited against the next installments of Operating Costs due from Sublessee to Sublessor hereunder, or refunded to Sublessee, at Sublessee's option.

3.5. Proration. If the Commencement Date or Expiration Date shall occur on a date other than the first or last day of an Expense Year, City's Percentage Share of Operating Costs for the Expense Year in which the Commencement Date or Expiration Date occurs, shall be prorated based on a three hundred sixty-five (365)-day year.

3.6. Audits. Sublessee shall have the right, upon not less than ten (10) business days' notice to Sublessor, to audit the books and records of the Building related to Operating Costs. If such audit discloses any discrepancies which would result in a reduction of City's Percentage Share of Operating Costs for any Expense Year, Sublessor shall immediately refund to Sublessee the amount of any overpayment by Sublessee. Sublessee shall pay the cost of such audit, provided that if such audit discloses any discrepancies which result in a reduction of City's Percentage Share of Operating Costs of three percent (3%) or more for any Expense Year, then Sublessor shall pay the costs of such audit.

3.7. Records. Sublessor shall maintain, within fifty (50) miles of the City and County of San Francisco, in a safe, complete and organized manner all of its records pertaining to this Sublease, Operating Costs and any other charges paid by Sublessee pursuant hereto, for a period of not less than three (3) years following expiration of the Sublease Term. Sublessor shall maintain such records on a current basis and in sufficient detail to facilitate adequate audit and review thereof. All such books and records shall be available for inspection, copying and audit by Sublessee and its representatives, at Sublessee's expense, subject to the provisions of Section 3.6 above.

3.8. Amounts Due upon Execution. Concurrently with the full execution and delivery of this Sublease, Sublessee shall deliver to Sublessor the monthly Fixed Monthly Rent installments payable for the period between the Commencement Date and the last day of the month in which the Effective Date occurs.

3.9. Security Deposit. No security deposit shall be required from Sublessee to Sublessor.

3.10. Payment. Except for the Fixed Monthly Rent installments payable for the period between the Commencement Date and the last day of the month in which the Effective Date occurs, which shall be paid pursuant to Section 3.9 above, Rent shall be paid to Sublessor promptly on the first day of each calendar month during the Sublease Term, without deduction, abatement, counterclaim or setoff of any amount for any reason whatsoever except as otherwise expressly set forth in this Sublease. In the event that the Sublease Term begins or ends on a date

which is not the first day of a month, Rent shall be prorated as of such date based on a thirty (30) day month. Rent shall be paid to Sublessor in lawful money of the United States at its address set forth below, or to such address as Sublessor may from time to time designate by notice delivered to Sublessee within no less than fourteen (14) days of such effective address change:

San Francisco Child Abuse Prevention Center
c/o CBRE
111 Sutter St., Suite 350
San Francisco, CA 94194
Attn: Asset Services

Any payment by Sublessee or receipt by Sublessor of an amount less than the amount stipulated hereunder for Rent or other charges shall be deemed a payment on account of such amount(s) payable. An endorsement or statement by Sublessee on any check or letter shall not be deemed to create an accord and satisfaction, and Sublessor may accept any such check or payment without prejudice to Sublessor's right to recover the balance due or to pursue any other remedy available to it. All amounts payable hereunder by Sublessee shall be payable directly to Sublessor, subject to Master Lessor's rights under the Master Lease.

3.11 Personal Property Taxes. If Sublessee is legally liable for personal property taxes, (a) Sublessee shall pay prior to delinquency all taxes properly assessed against and levied upon all Sublessee's furnishings, equipment, and other personal property of Sublessee ("Sublessee Personal Property") contained in the Premises and (b) when possible, Sublessee shall cause the Sublessee Personal Property to be assessed and billed separately from the real property on which the Premises is located. If Sublessee is legally liable for personal property taxes and any of the Sublessee Personal Property shall be assessed with the real property on which the Premises is located, Sublessee shall pay to Sublessor, as an Additional Charge, one hundred percent (100%) of the taxes attributable to the Sublessee Personal Property within ten (10) days after receipt of a written statement setting forth the taxes applicable to the Sublessee Personal Property.

4. Use. Sublessee covenants and agrees to use the Subleased Premises solely for the Agreed Use in accordance with the terms and conditions of the Master Lease and this Sublease and in compliance with all applicable laws. Sublessor acknowledges and agrees that investigating and prosecuting child abuse cases, providing governmental services to abused children, and performing child welfare activities are components of the Agreed Use.

5. Master Lease.

5.1. A copy of the Master Lease is attached hereto as Exhibit C. Sublessee's use of the Premises and this Sublease shall be subject in all respects to the terms of, and the rights and obligations of the Master Lessor under, the Master Lease, and shall be subject and subordinate to any Security Device (as defined in the Master Lease). Sublessee shall not have any rights pursuant to this Sublease with respect to the Subleased Premises and the Non-Exclusive Areas pursuant to this Sublease greater than Sublessor's rights under the Master Lease with respect thereto.

5.2. Sublessee recognizes that Sublessor is not in a position to render any of the services or to perform any of the obligations required of the Master Lessor by the terms of the Master Lease. Therefore, notwithstanding anything to the contrary contained in this Sublease, Sublessee agrees that performance by Sublessor of its obligations under this Sublease are conditional to the extent such performance is impeded by Master Lessor's failure to perform its corresponding obligations under the Master Lease and Sublessor shall not be liable to Sublessee for any default of the Master Lessor under the Master Lease. Sublessee shall not have any claim against Sublessor by reason of the Master Lessor's failure or refusal to comply with any of the provisions of the Master Lease unless such failure or refusal is a result of Sublessor's failure to

act. This Sublease shall remain in full force and effect notwithstanding the Master Lessor's failure or refusal to comply with any such provisions of the Master Lease and Sublessee shall pay the Rent and all other charges provided for herein without any abatement, deduction or setoff whatsoever, except to the extent that the rent and other charges to be paid by Sublessor to Master Lessor under the Master Lease are abated or reduced under the Master Lease or otherwise granted by Master Lessor for such failure or refusal, and such failure or refusal by Master Lessor shall not give rise to any constructive eviction.

5.3. Sublessor shall have no obligation to expend any money for the maintenance, repair or restoration of the Subleased Premises other than Sublessor's obligation (i) to pay rent under the Master Lease, (ii) to perform its obligations under the Master Lease and Section 6 of this Sublease, and (iii) to repair any damage to the Subleased Premises to the extent such damage results from the acts of Sublessor or its Agents in the Subleased Premises or the remainder of the Premises.

5.4. Sublessee covenants and warrants that it fully understands and agrees to use the Subleased Premises and the Non-Exclusive Areas in accordance with the covenants, agreements, terms, provisions and conditions of the Master Lease applicable thereto (the "Master Lease Terms"). Notwithstanding anything contrary in the foregoing, if Sublessor fails to comply with the Master Lease Terms or there is any breach of any of Sublessor's representations, covenants or warranties in the Master Lease, Sublessee shall have no obligation to take any action to cure such failure or breach, except to the extent such failure or breach by Sublessor is caused by Sublessee's default of its obligations under this Sublease.

5.5. Sublessee and Sublessor each covenant not to take any action or do or perform any act or fail to perform any act which would result in the failure or breach of any of the covenants, agreements, terms, provisions or conditions of the Master Lease on the part of the Lessee thereunder.

5.6. If Sublessee requests Sublessor's consent or approval for any matter that would require the consent or approval of Master Lessor under the Master Lease, Sublessor agrees to use commercially reasonable efforts to obtain such consent on behalf of Sublessee, provided that Sublessor shall not be required to commence any litigation nor incur any costs.

5.7. Sublessor covenants not to modify the Master Lease so as to adversely affect Sublessee's rights or obligations hereunder. Notwithstanding the foregoing, Sublessee agrees that Sublessor does not control the HOA (as defined in the Master Lease) or any changes made by the HOA in the use or operation of the Property and that the terms and conditions imposed by the HOA on the Premises are subject to change pursuant to the CC&Rs (as defined in the Master Lease) at any time during the term of this Sublease.

5.8. Within three (3) business days of Sublessor's receipt thereof, Sublessor shall deliver to Sublessee a copy of any notice of default, or of any matter affecting the use of the Non-Exclusive Areas or the Subleased Premises delivered by Master Lessor to Sublessor pursuant to the Master Lease.

6. Maintenance; Janitorial.

6.1 Sublessor shall repair and maintain the interior portions of the Subleased Premises in a first class, clean, safe and sanitary condition and in good working order. Sublessor shall make any such required repairs and replacements (i) by contractors or mechanics selected by Sublessor and reasonably approved by Sublessee, (ii) so that same shall be at least substantially equal in quality, value and utility to the original work or installation prior to damage thereof, (iii) in a manner and using equipment and materials that will reasonably minimize interference with

or impairment of the operations, use or occupation of the Subleased Premises, and (iv) in compliance with all applicable Laws.

6.2 Sublessor shall provide janitorial service in the Subleased Premises in accordance with the specifications contained in Exhibit D attached hereto.

6.3 Sublessor shall maintain the Non-Exclusive Areas in compliance with the following.

(a) Sublessor shall maintain the Non-Exclusive Areas in a first class, clean, and good working condition, and perform any maintenance or replacements required to comply with such maintenance obligation.

(b) Sublessor shall operate the Building Amenity Area in a manner that facilitates the performance of the Agreed Use by the Participating Parties. Sublessor shall permit the Participating Parties and their respective invitees to use the Building Amenity Area and Building Service Area in connection with their respective performance of the Agreed Use and in compliance with the rules and regulations for the Building Amenity Area and Building Service Area (the "Rules and Regulations"), which Rules and Regulations shall be provided to Sublessee by Sublessor within the first year of the Sublease Term. The Rules and Regulations shall be uniformly enforced by Sublessor as to each of the Participating Parties, and Sublessor shall provide a copy thereof to each of the Participating Parties. Sublessee agrees to abide by and conform to the Rules and Regulations and shall use its best efforts to cause its employees, suppliers, shippers, customers, contractors, and invitees using the Building Amenity Area and Building Service Area to so abide and conform. Sublessor shall not be responsible to Sublessee for noncompliance with the Rules and Regulations by any of the Participating Parties other than Sublessor; provided, however, that Sublessor shall take reasonable steps to enforce compliance with the Rules and Regulations by each of the Participating Parties. Sublessor shall have the right to make reasonable modifications to the Rules and Regulations to provide for the management, safety, care and cleanliness of the Building Amenity Area and Building Service Area, the preservation of good order, as well as for the convenience of all Participating Parties; provided, however, that such modifications shall not become effective against Sublessee until seven (7) days following Sublessor's delivery of such modifications in writing to Sublessee.

(c) Sublessor shall have the right (i) to close temporarily any of the Non-Exclusive Areas for maintenance or safety purposes, and (ii) to make changes to the Non-Exclusive Areas, including making improvements or modifications to the Non-Exclusive Areas as Sublessor may, in the exercise of its reasonable discretion, deem to be appropriate, so long as reasonable access to the Subleased Premises remains available and Sublessor delivers not less than five (5) days prior written notice of such closure or change to Sublessee; provided, however, that in the event of a temporary closure of or change to the Non-Exclusive Areas for the purpose of maintenance, safety, or response to an emergency, Sublessor shall only be required to provide reasonable notice. Sublessor shall control and manage the Building Amenity Area in a manner that allows the Participating Parties to have equal access to and use of the Building Amenity Area, consistent with the Rules or Regulations Sublessor may adopt.

6.4 Sublessor shall provide all other services consistent with a first class office building for the Subleased Premises and Non-Exclusive Areas.

6.5 City reserves the right to request that Sublessor, at City's cost, perform minor Sublease-related services or incur additional expenses not covered under this Sublease that City may require from time to time, as requested by City in writing and approved by the Director of Property. City shall reimburse Sublessor for such expenses as they are incurred, at rates agreed-upon in advance in writing.

7. Alterations.

7.1 Non-Exclusive Areas. Sublessor shall not modify the Non-Exclusive Areas in any material respect without the prior written consent of Sublessee, which consent shall not be unreasonably withheld or conditioned.

7.2 Subleased Premises. Sublessee shall not make or cause, suffer or permit the making of any alteration, addition, change, replacement, installation or addition in or to the Subleased Premises (a "Proposed Alteration") without obtaining the prior written consent of Sublessor and (if approved by Sublessor and required under the Master Lease) the prior written consent of Master Lessor in each instance. Any approved Proposed Alteration shall be made only in compliance with the Master Lease. Upon the expiration or earlier termination of the Sublease Term, Sublessee shall restore the Subleased Premises to its condition as of the start of the Sublease Term, except for any change resulting from reasonable wear and tear or damage or destruction (unless such damage or destruction is caused by Sublessee's default of its obligations under this Sublease or Sublessee's use of the Premises pursuant to this Sublease) and any Proposed Alteration that is owned by Master Lessor pursuant to the Master Lease. In the event that Sublessee fails to restore the Subleased Premises as required by the immediately preceding sentence, and such failure continues for more than thirty (30) days following Sublessor's delivery of written notice of such failure to Sublessee, Sublessor may perform such restoration and all reasonable costs incurred by Sublessor shall be reimbursed to Sublessor by Sublessee, as additional rent, not later than thirty (30) days after Sublessor's demand therefor. The provisions of this Section shall survive the Sublease Expiration Date or earlier termination of this Sublease.

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

9. Defaults.

9.1. Event of Default by Sublessee. The occurrence of any of the following shall be an "Event of Default" unless such matter is cured within the time periods specified herein:

(a) Sublessee abandons the Subleased Premises (within the meaning of California Civil Code Section 1951.3).

(b) Sublessee fails to make any timely payment of Rent and to cure such nonpayment within five (5) business days after receipt of written notice thereof from Sublessor, provided that for the first two (2) monthly payments of Rent at the beginning of the Sublease Term and for the first monthly payment of Rent after the beginning of each new fiscal year for Sublessee or after any adjustment of Rent pursuant to this Sublease, Sublessee shall have twenty (20) days to cure any such nonpayment after written notice thereof from Sublessor.

(c) Sublessee fails to perform any other affirmative duty or obligation of Sublessee hereunder (not involving the payment of money) and, if such failure does not cause Sublessor to be in Default (as defined in the Master Lease) under the Master Lease, Sublessee

fails to cure such non-performance within the cure period twenty (20) days of the date of receipt of notice thereof from Sublessor, provided that if more than twenty (20) days are reasonably required for such cure, no event of default shall occur if Sublessee commences such cure within such period and diligently prosecutes such cure to completion.

(d) Sublessee fails to perform any other covenant or obligation of Sublessee hereunder (not involving the payment of money) and, if such failure would be a Default under the Master Lease, Sublessee fails to cure matter within the applicable grace period set forth in the Master Lease.

9.2 Sublessor Remedies for Event of Default. Upon the occurrence of any Event of Default that is not cured within the applicable grace period as provided above, Sublessor shall have all rights and remedies available pursuant to law or granted hereunder, including the following:

(a) The rights and remedies provided by California Civil Code Section 1951.2 (damages on termination for breach), including, but not limited to, the right to terminate Sublessee's right to possession of the Subleased Premises and to recover the worth at the time of award of the amount by which the unpaid Rent for the balance of the Sublease Term after the time of award exceeds the amount of rental loss for the same period that Sublessee proves could be reasonably avoided, as computed pursuant to subsection (b) of such Section 1951.2.

(b) The rights and remedies provided by California Civil Code Section 1951.4 (continuation of lease after breach and abandonment), which allows Sublessor to continue this Sublease in effect and to enforce all of its rights and remedies under this Sublease, including the right to recover Rent as it becomes due, for so long as Sublessor does not terminate Sublessee's right to possession, if Sublessee has the right to sublet or assign, subject only to reasonable limitations.

9.3 Sublessor's Default. If Sublessor fails to perform any of its obligations under this Sublease, then (without limiting any of Sublessee's other cure rights under this Sublease) Sublessee may, at its sole option, cure such default at Sublessor's expense if such default continues after twenty (20) days from the date Sublessee gives notice to Sublessor of Sublessee's intention to perform such cure; provided, however, that if such action requires the consent of Master Lessor under the Master Lease, Sublessee shall not cure such default unless it has first obtained such Master Lessor consent. However, in the case of a default which for causes beyond Sublessor's control (excluding any financial inability to perform) cannot with due diligence be cured within such twenty (20)-day period, such twenty (20)-day period shall be extended if Sublessor, promptly upon receipt of Sublessee's notice, advises Sublessee of Sublessor's intention to take all steps required to cure such default, and Sublessor promptly commences such cure and diligently prosecutes the same to completion. Subject to the other provisions of this Sublease relating to abatement of Rent, if Sublessor fails to cure any default within the cure period provided above, then, whether or not Sublessee elects to cure Sublessor's default as provided herein, the Rent and any other charges hereunder shall be abated based on the extent to which such default interferes with Sublessee's ability to carry on its business at the Subleased Premises. Notwithstanding the foregoing, if any such default by Sublessor continues for sixty (60) days and impairs Sublessee's ability to carry on its business in the Subleased Premises, then Sublessee shall have the right to terminate this Sublease upon written notice to Sublessor within thirty (30) days after the expiration of such sixty (60)-day period. Sublessee's rights hereunder shall not limit in any way any of its other rights and remedies hereunder or at law or in equity.

10. Hazardous Substances. Neither Sublessee nor any agents, employees, officers and contractors ("Agents") of Sublessee shall permit or cause any Hazardous Substance (as defined in the Master Lease) to be brought upon, kept, used, stored, generated or disposed of in, on or about the Subleased Premises, or transported to or from the Property, in violation of any

applicable laws; provided that Sublessee may use such substances in such limited amounts at the Subleased Premises as are customarily used in offices so long as such use is in compliance with all applicable laws. If Sublessee knows, or has reasonable cause to believe, that Sublessee or its Agents have caused a Reportable Use (as defined in the Master Lease) at the Property, Sublessee shall immediately give written notice of such matter to Sublessor, together with a copy of any report, notice, claim or other documentation that Sublessee has concerning such Reportable Use. If Sublessee breaches its obligations contained in this Section, or if Sublessee or its Agents cause Reportable Use from, in, on or about the Subleased Premises or the Property that requires remediation under any applicable laws, then Sublessee shall Indemnify (as defined in Section 11) Sublessor against any and all Claims (as defined in Section 11), including, without limitation, diminution in value of the Premises, loss of rental income from the Premises, removal, repair, corrective action, or cleanup expenses, removal or management of any asbestos brought into the Premises or disturbed in breach of the requirements of this Section, to the extent such removal or management is required by applicable laws, arising during or after the Sublease Term as a result of such Reportable Use by Sublessee or its Agents, except to the extent Sublessor or its Agents or invitees is responsible for the Reportable Use. The foregoing Indemnity shall not include any Claims resulting from the non-negligent aggravation by Sublessee, its Agents or invitees of physical conditions of the Premises, or other parts of the Property, existing prior to the Effective Date. The obligations of Sublessee under this Section shall survive any termination or expiration of this Sublease.

11. Indemnity. Sublessee hereby agrees to defend, indemnify and hold harmless ("Indemnify") Sublessor and its directors, supervisors, volunteers, and Agents (each, including Sublessor, a "Sublessor Indemnified Party") from and against any and all claims, losses, liabilities, costs, expenses and damages, whether insured against or not, including, without limitation, reasonable attorneys' fees and disbursements and any Master Lessor claims (collectively, "Claims"), made against or incurred by a Sublessor Indemnified Party as a result of (a) Sublessee's use of the Subleased Premises, (b) any default by Sublessee in the performance of any of its material obligations under this Sublease, or (c) any negligent acts or omissions of Sublessee or its Agents in, on or about the Premises; provided, however, Sublessee shall not be obligated to Indemnify any Sublessor Indemnified Party to the extent any Claim arises out of the gross negligence or willful misconduct of a Sublessor Indemnified Party. In any action or proceeding brought against a Sublessor Indemnified Party by reason of any Claim to be Indemnified by Sublessee pursuant to this Section, Sublessee may, at its sole option, elect to defend such Claim by attorneys in its Office of the City Attorney, by other attorneys selected by Sublessee, or both. Sublessee shall have the right to control the defense and to determine the settlement or compromise of any action or proceeding, provided that Sublessor shall have the right, but not the obligation, to participate in the defense of any such Claim at its sole cost.

Sublessor hereby agrees to Indemnify Sublessee and its supervisors, and Agents (each, including Sublessee, a "Sublessee Indemnified Party") from and against any and all Claims, made against or incurred by a Sublessee Indemnified Party as a result of (a) any default by Sublessor in the performance of any of its material obligations under this Sublease or, except to the extent caused by Sublessee's failure to perform its duties or obligations under this Sublease, the Master Lease, or (b) any negligent acts or omissions of Sublessor or its Agents in, on or about the Premises (including the Subleased Premises); provided, however, Sublessor shall not be obligated to Indemnify any Sublessee Indemnified Party to the extent any Claim arises out of the gross negligence or willful misconduct of a Sublessee Indemnified Party.

The provisions of this Section 11 shall survive the expiration or earlier termination of this Sublease.

12. Parking.

12.1 Internal Parking. The Premises includes the fifteen 15 parking spaces located in the ground floor parking area of the Premises (the "Internal Parking Spaces"). Subject to Section 33.7, Sublessee shall have the right to use eight (8) of the Internal Parking Spaces (the "Sublessee Parking Spaces") at all times during the Sublease Term; provided, however, that in the event one of the Participating Parties desires to expand the Reserved Premises, CYW Partner Premises, or CPMC Partner Premises into the space currently occupied by the Sublessee Parking Spaces to improve or increase services to the Children's Advocacy Center, Sublessor may terminate Sublessee's right to use the Sublessee Parking Spaces provided that the Fixed Monthly Rent shall be decreased by \$75 for each of the Sublessee Parking Spaces for which Sublessee's parking rights are so terminated. Sublessee shall have no right to use any of the other parking spaces located in the ground floor parking area of the Premises unless Sublessee is authorized to do so pursuant to a parking space rental agreement by and between Sublessor and Sublessee. Sublessee agrees to pay its pro rata share (based on the number of Sublessee Parking Spaces divided by the number of Internal Parking Spaces) of any parking taxes or bond costs paid by Sublessor for the Internal Parking Spaces to the extent such taxes are not associated with running a for-profit garage for parking by individuals that are not tenants.

12.2 External Parking. Reference is made to the parking spaces located outside of the Premises and assigned to the Premises by the HOA (the "External Parking Spaces"). Sublessee shall have no right to use any of the External Parking Spaces unless Sublessee is authorized to do so pursuant to a parking space rental agreement by and between Sublessor and Sublessee, provided that any such parking space rental agreement shall terminate if the rented parking space is no longer assigned to the Premises by the HOA.

12.3 Temporary Use. It is understood by the parties that Sublessor may, in its sole discretion, temporarily authorize Sublessee to use Internal Parking Spaces or External Parking Spaces that are not leased by Sublessee pursuant to a parking space rental agreement to the extent that there are spaces available; provided, that Sublessor, in its sole discretion, may revoke such temporary authorization for any reason at any time.

13. Assignment, Subletting and the Granting of Licenses.

13.1 Consent of Master Lessor and Sublessor. Subject to all of the rights of the Master Lessor under the Master Lease and the restrictions contained in the Master Lease, Sublessee shall not be entitled to assign this Sublease, sublet all or any portion of the Subleased Premises, or grant a license for use of or access to all or any portion of the Subleased Premises without the prior written consent of Sublessor and Master Lessor. Sublessor shall not unreasonably withhold, condition, or delay its consent to a request by Sublessee to grant a license for use of or access to all or any portion of the Subleased Premises to any non-profit entity that would perform any of the Agreed Uses pursuant to an agreement with Sublessee (a "Private Provider"); provided, however, that it shall be reasonable for Master Lessor to withhold its consent to Sublessee's proposed license to (i) a Private Provider that does not have experience in competently providing the proposed Agreed Uses to be performed by such Private Provider or (ii) a Private Provider for whom the proposed Agreed Uses to be performed by such Private Provider are deemed to be incompatible with the operation of the Children's Advocacy Center at the Premises, which determination of compatibility shall be made by Sublessor in its reasonable discretion. With respect to any person or entity that is not a Private Provider, Sublessor may withhold its consent to Sublessee's request in its sole discretion. Sublessee acknowledges that under the Master Lease, Master Lessor's consent is required in order for Sublessee to sublease the Subleased Premises. Any license entered into by Sublessee shall be in a form reasonably acceptable to Sublessor.

13.2 Consequences of Assignment/Subletting. If this Sublease shall be assigned or if the Subleased Premises or any part thereof shall be sublet or occupied pursuant to a license agreement by any person or persons other than the original Sublessee named herein, then

Sublessor may collect rent from any such assignee, sublessee or occupant after first delivering prior written notice to Sublessee of such action, and apply the net amounts collected to Rent and other amounts payable pursuant to this Sublease, but no such assignment, occupancy or collection shall be deemed a waiver of any of the provisions of this Section, an acceptance of the assignee, sublessee or occupant as Sublessee hereunder, or a release of any person from the further performance by such person of the obligations of Sublessee under this Sublease.

13.3 Consent not Waiver. The consent by Sublessor or Master Lessor to any assignment, subletting or license shall not constitute a waiver of the necessity for such consent to any subsequent assignment, subletting or license.

13.4 Recapture. Except in the event of a license granted to a Private Party pursuant to Section 13.1, in the event that Sublessee seeks to assign this Sublease, sublease any or all of the Subleased Premises, or grant a license for use of or access to all or any portion of the Subleased Premises, Sublessor shall have the right to recapture at its option all of the Subleased Space or that portion to be subleased or licensed by providing written notice to Sublessee ("Recapture Notice") within 30 days of Sublessee's request for Sublessor's consent to the proposed assignment, subletting or license. If Sublessor delivers a timely Recapture Notice then this Sublease and Sublessee's obligations regarding the assigned, subleased, or licensed portion of the Subleased Premises will terminate as of the date set forth in the Recapture Notice.

13.5 No Release. No subletting or grant of license shall cause Sublessee to be released from its obligations under this Sublease.

13.6 Insurance and Additional Costs. As a condition to Sublessor's grant of its consent to any sublease or assignment of the Subleased Premises or grant of license, Sublessor shall have the right to require that the insurance required under any such sublease or license include Sublessor and its Affiliates as additional insureds and indemnify Sublessor for such sublessee or assignee's activities at the Premises. In addition, any increases to Additional Expenses or any commercially reasonable administrative cost increases caused by such sublessee, assignee, or licensee's use of the Subleased Premises shall be borne by Sublessee or its sublessee, assignee, or licensee.

14. Damage and Destruction; Eminent Domain. All initially-capitalized, undefined terms used in this Section shall have the meanings given to such terms in the Master Lease.

14.1 Rent Abatement. If there is any Premises Partial Damage, Premises Total Destruction, or Hazardous Substance Condition for which Sublessor is not responsible under the Master Lease, the Fixed Monthly Rent payable during the period required for repairing, remediating, or restoring such damage shall be abated in proportion to the degree to which Sublessee's use of the Subleased Premises and the Building Amenity Area is impaired; provided, however, that such abatement shall not exceed the amount that the rent due to Master Lessor under the Master Lease is abated pursuant to Section 9.6(a) of the Master Lease. If any portion of the Subleased Premises is taken by Condemnation, the Fixed Monthly Rent shall be reduced in proportion to the reduction in utility of the Subleased Premises and the Building Amenity Area caused by such Condemnation. Sublessee acknowledges and agrees that Fixed Monthly Rent shall not be abated as a result of any abatement of rent granted to Sublessor pursuant to Section 2.6 of that certain Fifth Amendment to Lease dated as of September 7, 2013.

14.2 Termination Rights. If Master Lessor is obligated to repair or restore the Subleased Premises under the Master Lease due to any Premises Partial Damage, Premises Total Destruction, or Hazardous Substance Condition, but fails to commence such repair or restoration in a meaningful way within ninety (90) days after such obligation accrues, Sublessee shall have the right to terminate this Sublease by delivering written notice of such termination at any time prior to the commencement of such repair or restoration, which termination shall be effective on

the later to occur of the date specified in such notice or the sixtieth (60th) day following Sublessee's delivery of such notice; provided, however, that if Master Lessor commences such repair and restoration within thirty (30) days of Sublessee's delivery of such termination notice to Sublessor, Sublessee's termination notice shall be deemed to be automatically rescinded.

If Sublessor is obligated to repair or restore the Subleased Premises under the Master Lease due to any Premises Partial Damage, Premises Total Destruction, or Hazardous Substance Condition, but fails to commence such repair or restoration in a meaningful way within ninety (90) days after such obligation accrues, Sublessee shall have the right to terminate this Sublease by delivering written notice of such termination at any time prior to the commencement of such repair or restoration, which termination shall be effective on the later to occur of the date specified in such notice or the sixtieth (60th) day following Sublessee's delivery of such notice; provided, however, that if Sublessor commences such repair and restoration within thirty (30) days of Sublessee's delivery of such termination notice to Sublessor, Sublessee's termination notice shall be deemed to be automatically rescinded.

If more than ten percent (10%) of the rentable floor area of the Subleased Premises, or more than twenty-five percent (25%) of the Internal Parking Spaces rented by Sublessee, are taken by Condemnation, Sublessee may, at its option, to be exercised within ten (10) days after Sublessor delivers written notice of such Condemnation to Sublessee (or in the absence of such notice, within ten (10) days after the condemning authority takes such possession) terminate this Sublease as of the date the condemning authority takes such possession.

15. Insurance. The parties recognize Sublessee is a self-insured entity and, as such will not be required to acquire any third party insurance hereunder. Sublessee will, however, provide Sublessor with a certificate or letter of coverage or other letter evidencing its self-insurance. Sublessee's self-insurance shall be sufficient to provide comprehensive general liability coverage on an occurrence basis providing single limit coverage in an amount not less than \$2,000,000 per occurrence and with an annual aggregate of not less than \$4,000,000. Such self-insurance shall also be sufficient to cover all of Sublessee's personal property at the Premises at full replacement cost coverage with a deductible of not to exceed \$1,000 per occurrence. In addition, Sublessee shall maintain worker's compensation insurance in such amount as may be required by applicable law. Sublessee acknowledges and agrees that Sublessor shall have no obligation under this Sublease to maintain general liability, property, crime, or worker's compensation insurance benefiting Sublessee with respect to the Subleased Premises except to the extent required of Sublessor under the Master Lease.

All insurance proceeds received by Sublessor under the Master Lease shall be deemed to be the property of Sublessor.

16. Brokers. The parties hereto represent and warrant to each other that neither party dealt with any broker or finder in connection with the consummation of this Sublease, and each party agrees to indemnify, hold and save the other party harmless from and against any and all claims for brokerage commissions or finder's fees arising out of either of their acts in connection with this Sublease. The provisions of this Section shall survive the expiration or earlier termination of this Sublease.

17. Insurance and Condemnation Proceeds. Notwithstanding anything contained in the Master Lease to the contrary, as between Sublessor and Sublessee only, all insurance proceeds or condemnation awards received by Sublessor under the Master Lease shall be deemed to be the property of Sublessor, and Sublessor shall have no obligation to restore or rebuild the Subleased Premises.

18. Notices. Except as otherwise specifically provided in this Sublease, any notice given under this Sublease shall be in writing and given by delivering the notice in person, by overnight

commercial courier, next business day service requested, or by certified mail, return receipt requested, with postage prepaid, to the following addresses, or any other address either Sublessor or Sublessee may designate as its new address for such purpose by notice given to the other in accordance with this Section:

If to Sublessor: San Francisco Child Abuse Prevention Center
1757 Waller St.
San Francisco, CA 94117
Attn: Katie Albright

If to Sublessee: Real Estate Division
25 Van Ness Avenue, Suite 400
San Francisco, California 94102
Attn: Director of Property

and: Human Services Agency
170 Otis Street
San Francisco, CA 94102
Attn: Director of Contracts and Facilities

Any notice so delivered shall be deemed to have been given and received two (2) days after the date when it is mailed if sent by certified mail, one business day after the date when it is mailed if sent by overnight commercial courier, or upon the date personal delivery is made.

19. Signs. Sublessee shall not hang, post or otherwise display any signage of any kind at the Premises that is visible from outside the Premises without the prior approval of Sublessor, which approval shall be at Sublessor's sole and absolute discretion.

20. Estoppel Certificates. Sublessee and Sublessor (individually, as a "Responding Party") shall at any time and from time to time as requested by Sublessee, Sublessor or Master Lessor or their designee (individually, as the "Requesting Party") upon not less than ten (10) business days prior written notice, execute, acknowledge and deliver to the Requesting Party, a statement in writing certifying that this Sublease is unmodified and in full force and effect (or if there have been modifications that the same is in full force and effect as modified and stating the modifications, if any) certifying the dates to which Rent has been paid, and stating whether or not, to the best of Responding Party's knowledge, the Requesting Party is in default beyond any applicable grace period provided herein in performance of any of its obligations under this Sublease, and if so, specifying each such default of which the Responding Party may have knowledge, it being intended that any such statement delivered pursuant hereto may be relied upon by others with whom the party requesting such certificate may be dealing.

21. Authority. Sublessee represents and warrants that it is a validly existing municipal corporation, duly organized under the laws of California, and following approval of legislation by the Sublessee's Board of Supervisors authorizing the execution of this Sublease, the signatory named in such legislation is duly authorized to execute this Sublease on its behalf. Sublessor represents and warrants that it is a validly existing non-profit corporation, duly organized under the laws of California, and the signatory hereto is duly authorized to execute this Sublease on its behalf.

22. Attorneys' Fees. If either Sublessor or Sublessee fails to perform any of its obligations under this Sublease or if a dispute arises concerning the meaning or interpretation of any provision of this Sublease, the defaulting party or the non-prevailing party in such dispute, as the case may be, shall pay the prevailing party reasonable attorneys' and experts' fees and costs, and all court costs and other costs of action incurred by the prevailing party in connection with the prosecution or defense of such action and enforcing or establishing its rights hereunder (whether

or not such action is prosecuted to a judgment). For purposes of this Sublease, reasonable attorneys' fees of the City's Office of the City Attorney shall be based on the fees regularly charged by private attorneys with the equivalent number of years of experience in the subject matter area of the law for which the City Attorney's services were rendered who practice in the City of San Francisco in law firms with approximately the same number of attorneys as employed by the Office of the City Attorney. The term "attorneys' fees" shall also include, without limitation, all such fees incurred with respect to appeals, mediations, arbitrations, and bankruptcy proceedings, and whether or not any action is brought with respect to the matter for which such fees were incurred. The term "costs" shall mean the costs and expenses of counsel to the parties, which may include printing, duplicating and other expenses, air freight charges, hiring of experts, and fees billed for law clerks, paralegals, and others not admitted to the bar but performing services under the supervision of an attorney.

23. Holding Over. In the event Sublessee holds over in its possession of the Subleased Premises after the Sublease Expiration Date or earlier termination of this Sublease, such possession shall be deemed unlawful unless expressly consented to by Sublessor in writing, and Sublessor shall be entitled to any and all remedies in law or in equity by reason of such unlawful holding over by Sublessee. In the event that Sublessee holds over without Sublessor's written consent, the Fixed Monthly Rent shall automatically increase as of the Sublease Expiration Date or earlier termination of this Sublease to an amount equal to one hundred fifty percent (150%) of the Fixed Monthly Rent payable by Sublessee the calendar month immediately prior to the date when Sublessee commences such holding over (the "Holdover Rent"). The Holdover Rent shall be paid during such period as Sublessee retains possession of the Subleased Premises without the written consent of Sublessor. However, Sublessee's payment of such Holdover Rent, and Sublessor's acceptance thereof, shall not constitute a waiver by Sublessor of any of Sublessor's rights or remedies with respect to such holding over without written consent, nor shall it be deemed a consent by Sublessor to Sublessee's continued occupancy or possession of the Subleased Premises past the time period covered by Sublessee's payment of the Holdover Rent. Sublessee agrees to indemnify and save Sublessor harmless from and against any and all losses, costs, expenses and liabilities incurred by Sublessor under the Master Lease by reason of any such holding over, including, but not limited to any attorneys' fees and court costs, but excluding consequential damages (unless Sublessor is liable for such consequential damages pursuant to the Master Lease), suffered by either Sublessor, Master Lessor, or any prospective tenant or sublessee of either party.

24. Waiver of Jury Trial. To the extent permitted by law, the parties hereto hereby waive trial by jury in any action, proceeding or counterclaim brought by either of them against the other on any matters whatsoever arising out of or in any way connected with this Sublease, the relationship of Sublessor and Sublessee, Sublessee's use or occupancy of the Subleased Premises, any claim of injury or damage, or the enforcement of any remedy under any statute, emergency or otherwise.

25. No Waiver. The failure of a party hereto either to insist in any one or more cases upon the strict performance or observance of any obligation of another party under this Sublease, or to exercise any right contained in this Sublease, shall not be construed as a waiver or relinquishment for the future of any rights or obligations under the Sublease. A party's receipt and acceptance of performance, of any other obligation by another party hereto, with knowledge of the other party's breach of any provision of this Sublease, shall not be deemed a waiver of such breach. No waiver by a party hereto of any term, covenant or condition of this Sublease shall be deemed to have been made unless expressed in writing and signed by such party. The acceptance of Rent by Sublessor shall not be deemed a waiver of any Event of Default by Sublessee or any breach of Sublessee's duties or obligations under this Sublease.

26. Entire Agreement; Waiver. This Sublease contains the entire agreement between the parties hereto with respect to the Subleased Premises and the Premises and shall be binding upon

and inure to the benefit of their respective heirs, representatives, successors and permitted assigns. Any agreement hereinafter made shall be ineffective to change, modify, waive, release, discharge, terminate or effect an abandonment hereof, in whole or in part, unless such agreement is in writing and signed by the parties hereto.

27. Effective Date. The date on which this Sublease shall become effective (the "Effective Date") is the date upon which (a) Sublessee's Mayor and Board of Supervisors, in their sole and absolute discretion, adopt a resolution approving this Sublease in accordance with all applicable laws and (b) this Sublease is duly executed by the parties hereto.

28. Condition of the Premises. Sublessee has made its own inspection of and inquiries regarding the Subleased Premises and is accepting the Subleased Premises in its "as is" condition. Sublessee further acknowledges that Sublessor has made no currently effective representation or warranty, express or implied regarding the condition, suitability or usability of the Subleased Premises for the purposes intended by Sublessee. Pursuant to California Civil Code Section 1938, Sublessee is hereby notified that, as of the date hereof, the Subleased Premises has not undergone an inspection by a "Certified Access Specialist."

29. Successors and Assigns. Subject to Section 13 above, the provisions of this Sublease, except as herein otherwise specifically provided, shall extend to, bind and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

30. No Offer Until Delivery. This Sublease shall not become effective against the Sublessor until Sublessor receives: (i) a fully executed counterpart of this Sublease, (ii) the payment due to Sublessor pursuant to Section 3.5 of this Sublease.

31. Quiet Enjoyment. Sublessor covenants and represents that it has full right, power and authority to grant the subleasehold estate hereunder, and covenants that Sublessee, upon paying the Rent hereunder and performing the covenants hereof, shall peaceably and quietly have, hold and enjoy the Subleased Premises and all appurtenances during the full Sublease Term as against all persons or entities claiming by and through Sublessor or on account of any action, inaction or agreement of Sublessor or its Agents. Without limiting the provisions of Section 11, Sublessor agrees to Indemnify Sublessee and its Agents against Claims arising out of any assertion that would interfere with Sublessee's right to quiet enjoyment as provided in this Section. Sublessor's obligations under this Section shall survive the termination or expiration of this Sublease.

32. Miscellaneous. (a) Captions to the Sections and Subsections in this Sublease are included for convenience only and are not intended and shall not be deemed to modify or explain any of the terms of this Sublease. (b) All capitalized words and phrases not otherwise defined or described in this Sublease shall have the meanings ascribed to them in the Master Lease. (c) This Sublease shall be governed by and in all respects construed in accordance with the internal laws of the State of California and the San Francisco City Charter. (d) This Sublease may be executed in multiple counterparts, each of which shall be deemed an original and all of which together shall be deemed one and the same instrument. (e) If any term or provision of this Sublease or the application thereof to any person or circumstances shall, to any extent, be invalid and unenforceable, the remainder of this Sublease or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each term or provision of this Sublease shall be valid and be enforced to the fullest extent permitted by law. (f) Time is of the essence with respect to all provisions of this Sublease in which a definite time for performance is specified.

33. Special City Provisions.

33.1 Non-Liability of Sublessee Officials, Employees and Agents. Notwithstanding anything to the contrary in this Sublease, no elective or appointive board, commission, member, officer, employee or agent of Sublessee shall be personally liable to Sublessor, its successors and assigns, in the event of any default or breach by Sublessee or for any amount which may become due to Sublessor, its successors and assigns, or for any obligation of Sublessee under this Sublease.

33.2 MacBride Principles - Northern Ireland. The City and County of San Francisco urges companies doing business in Northern Ireland to move toward resolving employment inequities and encourages them to abide by the MacBride Principles as expressed in San Francisco Administrative Code Section 12F.1 et seq. The City and County of San Francisco also urges San Francisco companies to do business with corporations that abide by the MacBride Principles. Sublessor acknowledges that it has read and understands the above statement of the City and County of San Francisco concerning doing business in Northern Ireland.

33.3 Controller's Certification of Funds. The terms of this Sublease shall be governed by and subject to the budgetary and fiscal provisions of the City and County of San Francisco Charter. Notwithstanding anything to the contrary contained in this Sublease, there shall be no obligation for the payment or expenditure of money by Sublessee under this Sublease unless the Controller of the City and County of San Francisco first certifies, pursuant to Section 3.105 of the City and County of San Francisco 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 Sublessee after the fiscal year in which the Effective Date occurs, sufficient funds for the payment of Rent and any other payments required under this Sublease are not appropriated, then Sublessee may terminate this Sublease, without penalty, liability or expense of any kind to Sublessee, as of the last date on which sufficient funds are appropriated. Sublessee shall use its reasonable efforts to give Sublessor reasonable advance notice of such termination.

33.4 Prevailing Wages for Construction Work. Sublessor agrees that any person performing labor in the construction of any improvements to the Subleased Premises that Sublessor provides under this Sublease shall be paid not less than the highest prevailing rate of wages as required by Section 6.22(E) of the San Francisco Administrative Code, shall be subject to the same hours and working conditions, and shall receive the same benefits as in each case are provided for similar work performed in San Francisco County. Sublessor shall include, in any contract for construction of such improvements to the Subleased Premises, a requirement that all persons performing labor under such contract shall be paid not less than the highest prevailing rate of wages for the labor so performed. Sublessor shall require any contractor to provide, and shall deliver to Sublessee upon request, certified payroll reports with respect to all persons performing labor in the construction of any improvements to the Subleased Premises.

33.5 Non Discrimination in City Contracts and Benefits Ordinance

(a) In the performance of this Sublease, Sublessor agrees not to discriminate against any employee of, any Sublessee employee working with Sublessor, or applicant for employment with Sublessor, 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 such protected classes, or in retaliation for opposition to discrimination against such classes.

(b) Sublessor shall include in all subcontracts relating to the Subleased Premises a non-discrimination clause applicable to such subcontractor in substantially the form

of subsection (a) above. In addition, Sublessor shall incorporate by reference in all subcontracts the provisions of Sections 12B.2(a), 12B.2(c)-(k) and 12C.3 of the San Francisco Administrative Code and shall require all subcontractors to comply with such provisions. Sublessor's failure to comply with the obligations in this subsection shall constitute a material breach of this Sublease.

(c) Sublessor does not as of the Effective Date and will not during the Sublease Term, in any of its operations in San Francisco, on real property owned by Sublessee, or where the work is being performed for the Sublessee 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 such employees, where the domestic partnership has been registered with a governmental entity pursuant to state or local law authorizing such registration, subject to the conditions set forth in Section 12B.2(b) of the San Francisco Administrative Code.

(d) As a condition to this Sublease, Sublessor shall execute the "Chapter 12B Declaration: Nondiscrimination in Contracts and Benefits" form (Form HRC-12B-101) with supporting documentation and secure the approval of the form by the San Francisco Human Rights Commission (the "HRC"). Sublessor hereby represents that prior to execution of the Sublease: (a) Sublessor executed and submitted to the HRC Form HRC-12B-101 with supporting documentation, and (b) the HRC approved such form.

(e) The provisions of Chapters 12B and 12C of the San Francisco Administrative Code relating to non-discrimination by parties contracting for the lease of property to Sublessee are incorporated in this Section by reference and made a part of this Sublease as though fully set forth herein. Sublessor shall comply fully with and be bound by all of the provisions that apply to this Sublease under such Chapters of the Administrative Code, including but not limited to the remedies provided in such Chapters. Without limiting the foregoing, Sublessor understands that pursuant to Section 12B.2(h) of the San Francisco Administrative Code, a penalty of Fifty Dollars (\$50) for each person for each calendar day during which such person was discriminated against in violation of the provisions of this Sublease may be assessed against Sublessor and/or deducted from any payments due Sublessor.

33.6 Tropical Hardwood and Virgin Redwood Ban. 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. Except as expressly permitted by the application of Sections 802(b) and 803(b) of the San Francisco Environment Code, neither Sublessor nor any of its contractors shall provide any items to Sublessee in the performance of this Sublease which are tropical hardwood, tropical hardwood wood products, virgin redwood, or virgin redwood wood products.

In the event Sublessor fails to comply in good faith with any of the provisions of Chapter 8 of the San Francisco Environment Code, Sublessor shall be liable for liquidated damages for each violation in an amount equal to its net profit on the contract, or five percent (5%) of the total amount of the contract dollars, whichever is greatest. Sublessor acknowledges and agrees that the liquidated damages assessed shall be payable to the City and County of San Francisco upon demand and may be set off against any monies due to Sublessor from any contract with the City and County of San Francisco.

33.7 Bicycle Parking Facilities. Article 1.5 of the San Francisco Planning Code (the "Planning Code") requires the provision of bicycle parking at Sublessee-leased buildings at no cost to Sublessor during the Term. Sublessee may install the Class 1 Bicycle Parking Spaces and Class 2 Bicycle Parking Spaces (both as defined in Planning Code) required of Sublessee under the Planning Code, which installations shall be made at Sublessee's sole cost and shall be part of

Sublessee's personal property. Sublessor shall, at no cost to Sublessor, reasonably cooperate with Sublessee regarding the installation and location of such bicycle parking spaces in Sublessee's compliance with such requirements of the Planning Code. In the event that there is insufficient space at the Premises for the required number of bicycle parking spaces, the number of Sublessee Parking Spaces shall be reduced in order to provide the space needed for the bicycle parking spaces to the extent the Zoning Administrator of the City and County of San Francisco approves of placing such bicycle parking spaces in any of the Sublessee Parking Spaces.

33.8 Resource-Efficient City Buildings. Sublessor 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 buildings owned or leased by Sublessee. Sublessor hereby agrees that it shall comply with all applicable provisions of such code sections.

33.9 Certification by Sublessor. By executing this Sublease, Sublessor certifies that neither Sublessor nor any of its officers or members have been suspended, disciplined or disbarred by, or prohibited from contracting with, any federal, state or local governmental agency. In the event Sublessor or any of its officers or members have been so suspended, disbarred, disciplined or prohibited from contracting with any governmental agency, it shall immediately notify Sublessee of same and the reasons therefore together with any relevant facts or information requested by Sublessee. Any such suspension, disbarment, discipline or prohibition may result in the termination or suspension of this Sublease. Sublessor acknowledges that this certification is a material term of this Sublease.

33.10 Sunshine Ordinance. In accordance with Section 67.24(e) of the San Francisco Administrative Code, contracts, contractors' bids, leases, agreements, responses to Requests for Proposals, and all other records of communications between Sublessee 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 which is covered by this Section will be made available to the public upon request.

33.11 Conflicts of Interest. Through its execution of this Sublease, Sublessor acknowledges that it is familiar with the provisions of Section 15.103 of the San Francisco Charter, Article III, Chapter 2 of the San Francisco 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 provisions, and agrees that if Sublessor becomes aware of any such fact during the Sublease Term, Sublessor shall immediately notify Sublessee.

33.12 Preservative-Treated Wood Containing Arsenic. Sublessor may not purchase preservative-treated wood products containing arsenic in the performance of this Sublease unless an exemption from the requirements of Environment Code, Chapter 13 is obtained from the Department of Environment under Section 1304 of the Environment Code. The term "preservative-treated wood containing arsenic" shall mean wood treated with a preservative that contains arsenic, elemental arsenic, or an arsenic copper combination, including, but not limited to, chromated copper arsenate preservative, ammoniac copper zinc arsenate preservative, or ammoniacal copper arsenate preservative. Sublessor 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 Sublessor from purchasing preservative-treated wood containing arsenic for saltwater immersion. The term "saltwater immersion" shall mean a pressure-treated wood that is used for construction purposes or facilities that are partially or totally immersed in saltwater.

IN WITNESS WHEREOF, this Sublease is executed by the parties on the date first written above.

SUBLESSEE:

City and County of San Francisco,
a municipal corporation

By: _____
John Updike, Director of Property

Date: _____

RECOMMENDED:

[Department Authority]

APPROVED AS TO FORM:

DENNIS J. HERRERA, City Attorney

By: _____
Carol Wong, Deputy City Attorney

[SIGNATURES CONTINUE ON NEXT PAGE]

SUBLESSOR:

San Francisco Child Abuse Prevention Center,
a California nonprofit corporation

By: Natalie Delagnes Talbott
Name:
Title: Natalie Delagnes Talbott
Chair, Board of Directors

Date: May 16, 2014

Kate Albright
KATE ALBRIGHT
EXECUTIVE DIRECTOR/CHIEF EXECUTIVE
OFFICER/PRESIDENT
May 19, 2014

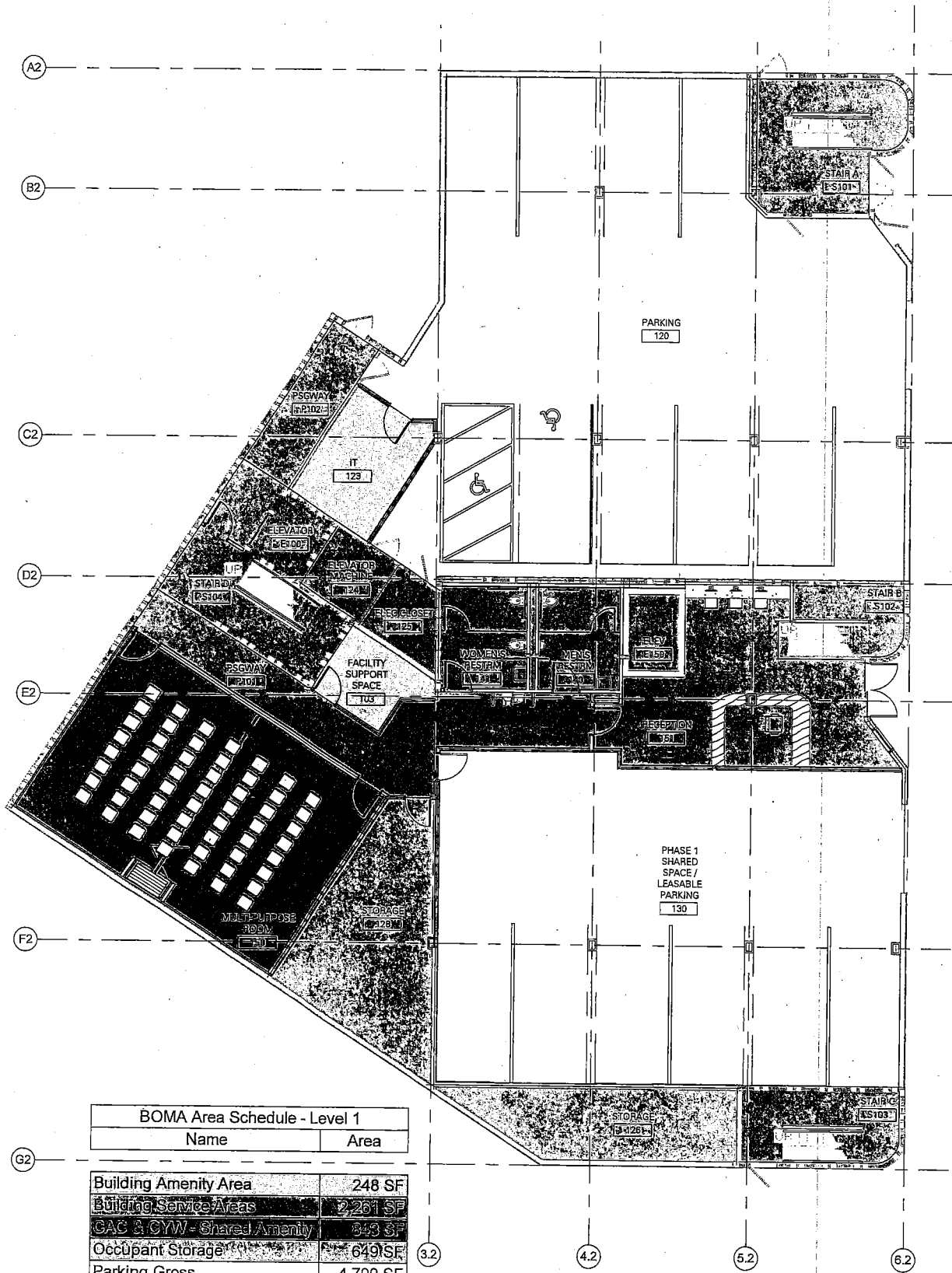
Melinda Ellis Evans
Melinda Ellis Evans
Secretary
May 19, 2014

EXHIBIT A

**Depiction of Subleased Premises, Non-Exclusive Areas, Reserved Premises,
Subleased Premises, CYW Partner Premises, and CPMC Partner Premises**

[Diagram To Be Attached]

Exhibit A



BOMA Area Schedule - Level 1

Name	Area
Building Amenity Area	248 SF
Building Service Areas	2,261 SF
CAC & CYW - Shared Amenity	843 SF
Occupant Storage	649 SF
Parking Gross	4,790 SF
	8,792 SF

Reviewed By _____

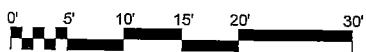
Signed _____

Date _____

ASK 1.11a

T O M E L I O T F I S C H

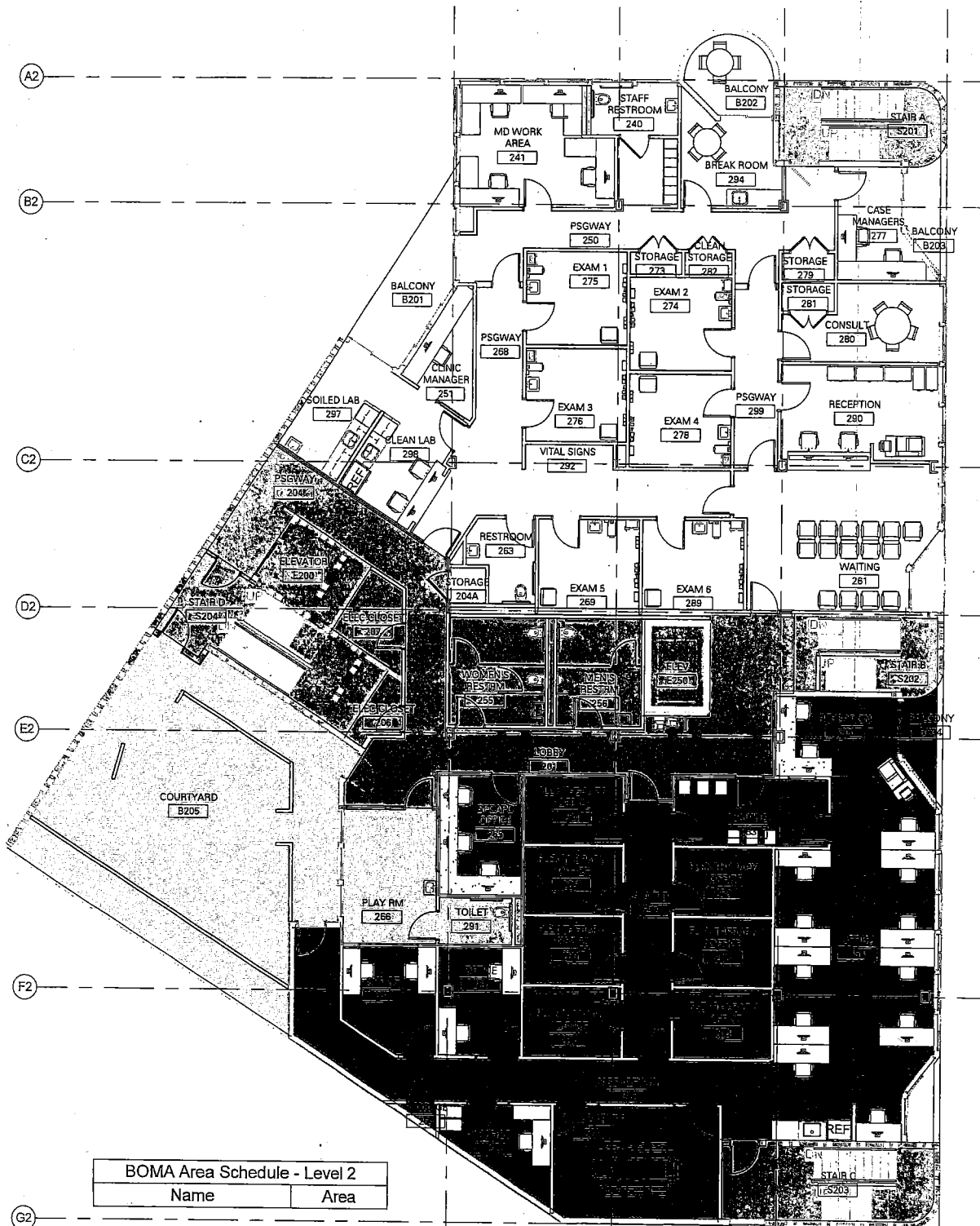
09/28/12



SCALE : 3/32" = 1'-0"

3450 3RD STREET

Level 1 Area Plan



BOMA Area Schedule - Level 2	
Name	Area

Building Amenity Area	1,164 SF
Building Service Areas	1,395 SF
CAC - Occupant Area	123 SF
CPMC - Occupant Area	3,314 SF
CYVA - Occupant Area	2,300 SF

9,036 SF

Reviewed By _____

Signed _____

Date _____

ASK 1.11b

T O M E L I O T F I S C H

09/28/12

0' 5' 10' 15' 20' 30'

SCALE : 3/32" = 1'-0"

3450 3RD STREET

Level 2 Area Plan

EXHIBIT B

Exclusions from Operating Costs

1. Costs of capital repairs, capital improvements and equipment, except for those (i) required by laws enacted on or after the date of the Sublease amortized over the useful life of the improvement and/or equipment, together with interest at the actual interest rate incurred by Sublessor in connection with such capital improvements, or (ii) acquired to cause, in Sublessor's good faith judgment, an immediate (i.e., commencing within the first year after completion of such repairs or improvements or installation of such equipment) reduction in other Operating Costs, amortized over the useful life of such improvements at an annual rate reasonably calculated to equal the amount of Operating Costs to be saved in each calendar year throughout the Sublease Term (as determined at the time Sublessor elected to proceed with the capital improvement or acquisition of the capital equipment to reduce operating expenses), together with interest at the actual interest rate incurred by Sublessor;
2. Rentals and other related expenses for items (except when needed in connection with normal repairs and maintenance of permanent systems) which if purchased rather than rented, would constitute a capital improvement which is specifically excluded in item 1 above (excluding, however, equipment not affixed to the Premises which is used in providing janitorial or similar services);
3. Costs incurred by Sublessor for the repair of damage to the Premises, to the extent that Sublessor is reimbursed by insurance proceeds (excluding any deductible) and costs occasioned by the exercise of the right of eminent domain;
4. Costs, including, without limitation, permit, license and inspection costs, incurred with respect to the installation of improvements made for other tenants or occupants of the Premises or incurred in renovating or otherwise improving, decorating, painting or redecorating vacant space for other tenants or occupants in the Premises;
5. Depreciation, amortization and interest payments, except to the extent provided herein pursuant to items 1(i) and 1(ii) above and except on materials, tools, supplies and vendor-type equipment purchased by Sublessor to enable Sublessor to supply services Sublessor might otherwise contract for with a third party where such depreciation, amortization and interest payments would otherwise have been included in the charge for such third party's services, all as determined in accordance with generally accepted accounting principles, consistently applied (as applied to commercial real estate), and when depreciation or amortization is permitted or required, the item shall be amortized over its reasonably anticipated useful life (as reasonably determined by Sublessor);
6. 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 Premises or any present or future ground lessors or holders of any mortgages or other encumbrances affecting any of the Premises or the defense of Sublessor's or Master Lessor's title to the Premises or the real property on which it is located;
7. Expenses in connection with services or other benefits which are not offered to City or for which City is charged directly but which are provided to another tenant or occupant of the Premises;

8. Costs incurred by Sublessor due to violation by Sublessor or any other tenant or occupant of the Premises of applicable laws, rules or regulations, the terms and conditions of any lease, ground lease, mortgage or deed of trust, or other covenants, conditions or restrictions encumbering the Premises or the real property on which it is located;
9. Overhead and profit increments paid to Sublessor or to subsidiaries or affiliates of Sublessor, or to any party as a result of a non-competitive selection process, for management, or other services, supplies or materials, to the extent the same exceed the costs of such goods and/or services rendered by unaffiliated third parties on a competitive, arms-length basis;
10. Any ground lease rental or rental under any other underlying leases;
11. Except as specifically permitted by items 1(i) and 1(ii) 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 Premises or the real property on which it is located;
12. Any compensation paid to clerks, attendants or other persons in commercial concessions operated by Sublessor or in the parking garage at the Premises;
13. All items and services for which City or any other tenant or occupant of the Premises separately reimburses Sublessor (other than through such tenant's or occupant's proportionate share of operating expenses), or which Sublessor provides selectively to one or more other tenants or occupants without reimbursement, or which are not provided in reasonable proportion to the space leased by City but which Sublessor provides to another tenant or other occupant of the Premises;
14. Advertising or promotional expenditures, and the costs of acquiring and installing signs in or on any of the Premises identifying the owner of the Premises or any other tenant or occupant of the Premises;
15. Electric power costs for which any tenant or occupant directly contracts with the local public service company (provided that the charge for such services shall be computed for purposes of the gross-up provision of this Sublease (i.e., expenses to be grossed up to reflect full occupancy of the Premises) to reflect an average charge for power costs);
16. Except as otherwise specified in Section 12.1 of the Sublease to which this Exhibit B is attached, services provided, taxes attributable to, and costs incurred in connection with the operation of retail, restaurant and garage operations in the Premises;
17. Costs incurred in connection with upgrading the Premises to comply with disabled access, life, fire and safety codes in effect prior to the date of the Lease, and costs incurred in connection with upgrading the Premises to comply with the Americans with Disabilities Act of 1990 and Title 24 of the California Code of Regulations (or its successor), the San Francisco Sprinkler Ordinance and the San Francisco Unreinforced Masonry Building Ordinance;
18. Tax penalties incurred as a result of the negligence, inability or unwillingness of Sublessor to make payments when due;
19. Costs arising from the presence of Hazardous Material in or about the Premises including, without limitation, groundwater or soil conditions, except if such Hazardous Material is brought onto the Premises by City in violation of applicable laws;
20. Charitable or political contributions;

21. To the extent the following costs arise during any applicable warranty periods, costs as a result of repairs of latent defects in the building core and shell or improvements of the Premises installed by or for Sublessor or in the building systems at the Premises, and any costs incurred by Sublessor in the event any portion of the Premises is made untenable by fire or other casualty required to be insured against pursuant to the terms of the Sublease;
22. Capital costs for sculpture, paintings or other objects of art;
23. Costs (including, without limitation, all attorneys' fees and costs of settlement, judgments and payments in lieu thereof) arising from claims, disputes or potential disputes, including, without limitation, tax disputes where the tenants of the Premises would receive benefits if Sublessor prevails) in connection with potential or actual claims, litigation or arbitrations pertaining to Sublessor or the Premises;
24. All direct cost of refinancing, selling, exchanging or otherwise transferring ownership of the Premises or the real property on which it is located or any interest therein or portion thereof, including broker commissions, attorney's fees and closing costs;
25. Reserves for bad debts, rent loss, capital items or further Operating Costs;
26. Sublessor's general corporate overhead and general and administrative expenses not related to the operation or management of the Building; and
27. Any other expense that under generally accepted accounting principles would not be considered a maintenance or operating expense.

EXHIBIT C

MASTER LEASE

[See attached]

Exhibit C



STANDARD MULTI-TENANT OFFICE LEASE - GROSS AIR COMMERCIAL REAL ESTATE ASSOCIATION

1. Basic Provisions ("Basic Provisions").

1.1 Parties: This Lease ("Lease"), dated for reference purposes only September 1, 2011

is made by and between 1238 Sutter Street LLC, a California limited liability company

and San Francisco Child Abuse Prevention Center, a California nonprofit corporation ("Lessor")

(collectively the "Parties", or individually a "Party").

("Lessee"),

1.2(a) Premises: See Addendum, Paragraph 51. That certain portion of the Project (as defined below), known as Suite Numbers(s) 2A and 2B, _____ floor(s), consisting of approximately _____ rentable square feet and approximately _____ useable square feet ("Premises"). The Premises are located at: 3450 Third Street _____ in the City of _____, County of _____, State of _____, with zip code _____.

In addition to Lessee's rights to use and occupy the Premises as hereinafter specified, Lessee shall have non-exclusive rights to the Common Areas (as defined in Paragraph 2.7 below) as hereinafter specified, but shall not have any rights to the roof, the exterior walls, the area above the dropped ceilings, or the utility raceways of the building containing the Premises ("Building") or to any other buildings in the Project. The Premises, the Building, the Common Areas, the land upon which they are located, along with all other buildings and improvements thereon, are herein collectively referred to as the "Project." The Project consists of approximately _____ rentable square feet. (See also Paragraph 2)

1.2(b) Parking: _____ unreserved and _____ reserved vehicle parking spaces at a monthly cost of \$ _____ per unreserved space and \$ _____ per reserved space. (See Paragraph 2.6)

1.3 Term: 1 years and 6 months ("Original Term") commencing September 1, 2011 ("Commencement Date") and ending February 28, 2013 ("Expiration Date"). (See also Paragraph 3)

1.4 Early Possession: If the Premises are available Lessee may have non-exclusive possession of the Premises commencing upon the mutual execution of this Lease _____ ("Early Possession Date"). (See also Paragraphs 3.2 and 3.3)

1.5 Base Rent: \$13,500.00 per month ("Base Rent"), payable on the first day of each month commencing September 1, 2011. (See also Paragraph 4)

☐ If this box is checked, there are provisions in this Lease for the Base Rent to be adjusted. See Paragraph _____.

1.6 Lessee's Share of Operating Expense Increase: seventy-five percent (75 %) ("Lessee's Share"). In the event that that size of the Premises and/or the Project are modified during the term of this Lease, Lessor shall recalculate Lessee's Share to reflect such modification.

1.7 Base Rent and Other Monies Paid Upon Execution:

- (a) Base Rent: \$13,500.00 for the period September 1 - 30, 2011
- (b) Security Deposit: \$13,500.00 ("Security Deposit"). (See also Paragraph 5)
- (c) Parking: \$ _____ for the period _____
- (d) Other: \$ _____ for _____
- (e) Total Due Upon Execution of this Lease: \$27,000.00

1.8 Agreed Use: Philanthropic, social service, multi-disciplinary interview center and integrated child advocacy and wellness center, medical clinic and general office.

1.9 **Base Year; Insuring Party.** The Base Year is 2011. Lessor is the "**Insuring Party**". (See also Paragraphs 4.2 and 8)

1.10 **Real Estate Brokers:** (See also Paragraph 15)

(a) **Representation:** The following real estate brokers (the "**Brokers**") and brokerage relationships exist in this transaction (check applicable boxes):

☒ HC&M Commercial Properties, Inc. represents Lessor exclusively ("**Lessor's Broker**");

☒ Kidder Matthews represents Lessee exclusively ("**Lessee's Broker**"); or

☐ _____ represents both Lessor and Lessee ("**Dual Agency**").

(b) **Payment to Brokers:** Upon execution and delivery of this Lease by both Parties, Lessor shall pay to the Brokers for the brokerage services rendered by the Brokers the fee agreed to in the attached separate written agreement or if no such agreement is attached, the sum of _____ or _____ % of the total Base Rent payable for the Original Term, the sum of _____ or _____ of the total Base Rent payable during any period of time that the Lessee occupies the Premises subsequent to the Original Term, and/or the sum of _____ or _____ % of the purchase price in the event that the Lessee or anyone affiliated with Lessee acquires from Lessor any rights to the Premises.

1.11 **Guarantor.** The obligations of the Lessee under this Lease shall be guaranteed by _____ ("**Guarantor**"). (See also Paragraph 37)

1.12 **Business Hours for the Building:** _____ a.m. to _____ p.m., Mondays through Fridays (except Building Holidays) and _____ a.m. to _____ p.m. on Saturdays (except Building Holidays). "**Building Holidays**" shall mean the dates of observation of New Year's Day, President's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Christmas Day, and _____.

1.13 **Lessor Supplied Services.** Notwithstanding the provisions of Paragraph 11.1, Lessor is NOT obligated to provide the following within the Premises:

☒ Janitorial services

☒ Electricity

☐ Other (specify): _____

1.14 **Attachments.** Attached hereto are the following, all of which constitute a part of this Lease:

☒ an Addendum consisting of Paragraphs 50 through 66;

☐ a plot plan depicting the Premises;

☐ a current set of the Rules and Regulations;

☐ a Work Letter;

☐ a janitorial schedule;

☒ other (specify): Option to Purchase. A purchase and sale agreement is attached as Exhibit A to the Option to Purchase, and the purchase and sale agreement includes its own addendum.

Premises.

2.1 **Letting.** Lessor hereby leases to Lessee, and Lessee hereby leases from Lessor, the Premises, for the term, at the rental, and upon all of the terms, covenants and conditions set forth in this Lease. While the approximate square footage of the Premises may have been used in the marketing of the Premises for purposes of comparison, the Base Rent stated herein is NOT tied to square footage and is not subject to adjustment should the actual size be determined to be different. **Note: Lessee is advised to verify the actual size prior to executing this Lease.**

2.2 **Condition.** Lessor shall deliver the Premises to Lessee in a clean condition on the Commencement Date or the Early Possession Date, whichever first occurs ("**Start Date**"), and warrants that the existing electrical, plumbing, fire sprinkler, lighting, heating, ventilating and air conditioning systems ("**HVAC**"), and all other items which the Lessor is obligated to construct pursuant to the Work Letter attached hereto, if any, other than those constructed by Lessee, shall be in good operating condition on said date, that the structural elements of the roof, bearing walls and foundation of the Unit shall be free of material defects, and that the Premises do not contain hazardous levels of any mold or fungi defined as toxic under applicable state or federal law.

2.3 **Compliance.** Lessor warrants to the best of its knowledge that the improvements comprising the Premises and the Common Areas comply with the building codes that were in effect at the time that each such improvement, or portion thereof, was constructed, and also with all applicable laws, covenants or restrictions of record, regulations, and ordinances ("**Applicable Requirements**") in effect on the Start Date. Said warranty does not apply to the use to which Lessee will put the Premises, modifications which may be required by the Americans with Disabilities Act or any similar laws as a result of Lessee's use (see Paragraph 49), or to any Alterations or Utility Installations (as defined in Paragraph 7.3(a)) made or to be made by Lessee. **NOTE: Lessee is responsible for determining whether or not the zoning and other Applicable Requirements are appropriate for Lessee's intended use, and acknowledges that past uses of the Premises may no longer be allowed.** If the Premises do not comply with said warranty, Lessor shall, except as otherwise provided, promptly after receipt of written notice from Lessee setting forth with specificity the nature and extent of such non-compliance, rectify the same. If the Applicable Requirements are hereafter changed so as to require during the term of this Lease the construction of an addition to or an alteration of the Premises, the remediation of any Hazardous Substance, or the reinforcement or other physical modification of the Premises ("**Capital Expenditure**"), Lessor and Lessee shall allocate the cost of such work as follows:

(a) Subject to Paragraph 2.3(c) below, if such Capital Expenditures are required as a result of the specific and unique use of the Premises by Lessee as compared with uses by tenants in general, Lessee shall be fully responsible for the cost thereof, provided, however that if such Capital Expenditure is required during the last 2 years of this Lease and the cost thereof exceeds 6 4 months' Base Rent, Lessee may instead terminate this Lease unless Lessor notifies Lessee, in writing, within 10 days after receipt of Lessee's termination notice that Lessor has elected to pay the difference between the actual cost thereof and the amount equal to 4 6 months' Base Rent. If Lessee elects termination, Lessee shall immediately cease the use of the Premises which requires such Capital Expenditure and deliver to Lessor written notice specifying a termination date at least 90

days thereafter. Such termination date shall, however, in no event be earlier than the last day that Lessee could legally utilize the Premises without commencing such Capital Expenditure.

(b) If such Capital Expenditure is not the result of the specific and unique use of the Premises by Lessee (such as, governmentally mandated seismic modifications), then Lessor shall pay for such Capital Expenditure and Lessee shall only be obligated to pay, each month during the remainder of the term of this Lease or any extension thereof, on the date that on which the Base Rent is due, an amount equal to 1/144th of the portion of such costs reasonably attributable to the Premises. Lessee shall pay Interest on the balance but may prepay its obligation at any time. If, however, such Capital Expenditure is required during the last 2 years of this Lease or if Lessor reasonably determines that it is not economically feasible to pay its share thereof, Lessor shall have the option to terminate this Lease upon 150 90 days prior written notice to Lessee unless Lessee notifies Lessor, in writing, within 10 days after receipt of Lessor's termination notice that Lessee will pay for such Capital Expenditure. If Lessor does not elect to terminate, and fails to tender its share of any such Capital Expenditure, Lessee may advance such funds and deduct same, with Interest, from Rent until Lessor's share of such costs have been fully paid. If Lessee is unable to finance Lessor's share, or if the balance of the Rent due and payable for the remainder of this Lease is not sufficient to fully reimburse Lessee on an offset basis, Lessee shall have the right to terminate this Lease upon 30 days written notice to Lessor.

(c) Notwithstanding the above, the provisions concerning Capital Expenditures are intended to apply only to nonvoluntary, unexpected, and new Applicable Requirements. If the Capital Expenditures are instead triggered by Lessee as a result of an actual or proposed change in use, change in intensity of use, or modification to the Premises then, and in that event, Lessee shall either: (i) immediately cease such changed use or intensity of use and/or take such other steps as may be necessary to eliminate the requirement for such Capital Expenditure, or (ii) complete such Capital Expenditure at its own expense. ~~Lessee shall not have any right to terminate this Lease.~~

2.4 Acknowledgements. Lessee acknowledges that: (a) it has been given an opportunity to inspect and measure the Premises, (b) Lessee has been advised by Lessor and/or Brokers to satisfy itself with respect to the size and condition of the Premises (including but not limited to the electrical, HVAC and fire sprinkler systems, security, environmental aspects, and compliance with Applicable Requirements), and their suitability for Lessee's intended use, (c) Lessee has made such investigation as it deems necessary with reference to such matters and assumes all responsibility therefor as the same relate to its occupancy of the Premises, (d) it is not relying on any representation as to the size of the Premises made by Brokers or Lessor, (e) the square footage of the Premises was not material to Lessee's decision to lease the Premises and pay the Rent stated herein, and (f) neither Lessor, Lessor's agents, nor Brokers have made any oral or written representations or warranties with respect to said matters other than as set forth in this Lease. In addition, Lessor acknowledges that: (i) Brokers have made no representations, promises or warranties concerning Lessee's ability to honor the Lease or suitability to occupy the Premises, and (ii) it is Lessor's sole responsibility to investigate the financial capability and/or suitability of all proposed tenants.

2.5 Lessee as Prior Owner/Occupant. The warranties made by Lessor in Paragraph 2 shall be of no force or effect if immediately prior to the Start Date, Lessee was the owner or occupant of the Premises. In such event, Lessee shall be responsible for any necessary corrective work.

2.6 Vehicle Parking. So long as Lessee is not in default, and subject to the Rules and Regulations attached hereto, and as established by Lessor from time to time, Lessee shall be entitled to rent and use the number of parking spaces specified in Paragraph 1.2(b) at the rental rate applicable from time to time for monthly parking as set by Lessor and/or its licensee.

~~(a) If Lessee commits, permits or allows any of the prohibited activities described in the Lease or the rules then in effect, then Lessor shall have the right, without notice, in addition to such other rights and remedies that it may have, to remove or tow away the vehicle involved and charge the cost to Lessee, which cost shall be immediately payable upon demand by Lessor.~~

~~(b) The monthly rent per parking space specified in Paragraph 1.2(b) is subject to change upon 30 days prior written notice to Lessee. The rent for the parking is payable one month in advance prior to the first day of each calendar month.~~

2.7 Common Areas - Definition. The term "Common Areas" is defined as all areas and facilities outside the Premises and within the exterior boundary line of the Project and interior utility raceways and installations within the Premises that are provided and designated by the Lessor from time to time for the general nonexclusive use of Lessor, Lessee and other tenants of the Project and their respective employees, suppliers, shippers, customers, contractors and invitees, including, but not limited to, common entrances, lobbies, corridors, stairwells, public restrooms, elevators, parking areas, loading and unloading areas, trash areas, roadways, walkways, driveways and landscaped areas. The term "Common Areas" shall also include that portion of the ground floor of Unit 2B that is not included in the definition of Premises (as defined in the Addendum to this Lease.)

2.8 Common Areas - Lessee's Rights. Lessor grants to Lessee, for the benefit of Lessee and its employees, suppliers, shippers, contractors, customers and invitees, during the term of this Lease, the nonexclusive right to use, in common with others entitled to such use, the Common Areas as they exist from time to time, subject to any rights, powers, and privileges reserved by Lessor under the terms hereof or under the terms of any rules and regulations or restrictions governing the use of the Project. Under no circumstances shall the right herein granted to use the Common Areas be deemed to include the right to store any property, temporarily or permanently, in the Common Areas. Any such storage shall be permitted only by the prior written consent of Lessor or Lessor's designated agent, which consent may be revoked at any time. In the event that any unauthorized storage shall occur then Lessor shall have the right, without notice, in addition to such other rights and remedies that it may have, to remove the property and charge the cost to Lessee, which cost shall be immediately payable upon demand by Lessor.

2.9 Common Areas - Rules and Regulations. Lessor or such other person(s) as Lessor may appoint shall have the exclusive control and management of the Common Areas and shall have the right, from time to time, to adopt, modify, amend and enforce reasonable rules and regulations ("Rules and Regulations") for the management, safety, care, and cleanliness of the grounds, the parking and unloading of vehicles and the preservation of good order, as well as for the convenience of other occupants or tenants of the Building and the Project and their invitees. The Lessee agrees to abide by and conform to all such Rules and Regulations, and shall use its best efforts to cause its employees, suppliers, shippers, customers, contractors and invitees to so abide and conform. Lessor shall not be responsible to Lessee for the noncompliance with said Rules and Regulations by other tenants of the Project.

2.10 Common Areas - Changes. Lessor shall have the right, in Lessor's sole discretion, from time to time:

(a) To make changes to the Common Areas, including, without limitation, changes in the location, size, shape and number of the lobbies, windows, stairways, air shafts, elevators, escalators, restrooms, driveways, entrances, parking spaces, parking areas, loading and unloading areas, ingress, egress, direction of traffic, landscaped areas, walkways and utility raceways;

(b) To close temporarily any of the Common Areas for maintenance purposes so long as reasonable access to the Premises remains available;

(c) To designate other land outside the boundaries of the Project to be a part of the Common Areas;

(d) To add additional buildings and improvements to the Common Areas;

(e) To use the Common Areas while engaged in making additional improvements, repairs or alterations to the Project, or any portion thereof; and

(f) To do and perform such other acts and make such other changes in, to or with respect to the Common Areas and Project as Lessor may, in the exercise of sound business judgment, deem to be appropriate.

(g) Prior to exercising any of its rights under this paragraph that may impact Lessee's use or occupancy of the Premises, Lessor shall give Lessee reasonable advance notice of the actions to be taken, and shall use reasonable efforts to cooperate with Lessee to minimize the impact of such actions upon Lessee's use and occupancy of the Premises, which shall not materially interfere with Lessee's use of, or access to, the Premises.

3. Term.

3.1 **Term.** The Commencement Date, Expiration Date and Original Term of this Lease are as specified in Paragraph 1.3.

3.2 **Early Possession.** Any provision herein granting Lessee Early Possession of the Premises is subject to and conditioned upon the Premises being available for such possession prior to the Commencement Date. Any grant of Early Possession only conveys a non-exclusive right to occupy the Premises. If Lessee totally or partially occupies the Premises prior to the Commencement Date, the obligation to pay Base Rent shall be abated for the period of such Early Possession. All other terms of this Lease (including but not limited to the obligations to pay Lessee's Share of the Operating Expense Increase) shall be in effect during such period. Any such Early Possession shall not affect the Expiration Date.

3.3 **Delay In Possession.** Lessor agrees to use its best commercially reasonable efforts to deliver possession of the Premises to Lessee by the Commencement Date. If, despite said efforts, Lessor is unable to deliver possession by such date, Lessor shall not be subject to any liability therefor, nor shall such failure affect the validity of this Lease or change the Expiration Date. Lessee shall not, however, be obligated to pay Rent or perform its other obligations until Lessor delivers possession of the Premises and any period of rent abatement that Lessee would otherwise have enjoyed shall run from the date of delivery of possession and continue for a period equal to what Lessee would otherwise have enjoyed under the terms hereof, but minus any days of delay caused by the acts or omissions of Lessee. If possession is not delivered within 60 days after the Commencement Date, as the same may be extended under the terms of any Work Letter executed by Parties, Lessee may, at its option, by notice in writing within 20 40 days after the end of such 60 day period, cancel this Lease, in which event the Parties shall be discharged from all obligations hereunder. If such written notice is not received by Lessor within said 40 20 day period, Lessee's right to cancel shall terminate. If possession of the Premises is not delivered within 120 days after the Commencement Date, this Lease shall terminate unless other agreements are reached between Lessor and Lessee, in writing.

3.4 **Lessee Compliance.** Lessor shall not be required to deliver possession of the Premises to Lessee until Lessee complies with its obligation to provide evidence of insurance (Paragraph 8.5). Pending delivery of such evidence, Lessee shall be required to perform all of its obligations under this Lease from and after the Start Date, including the payment of Rent, notwithstanding Lessor's election to withhold possession pending receipt of such evidence of insurance. Further, if Lessee is required to perform any other conditions prior to or concurrent with the Start Date, the Start Date shall occur but Lessor may elect to withhold possession until such conditions are satisfied.

4. Rent.

4.1 **Rent Defined.** All monetary obligations of Lessee to Lessor under the terms of this Lease (except for the Security Deposit) are deemed to be rent ("Rent").

4.2 **Operating Expense Increase.** Lessee shall pay to Lessor during the term hereof, in addition to the Base Rent, Lessee's Share of the amount by which all Operating Expenses for each Comparison Year exceeds the amount of all Operating Expenses for the Base Year, such excess being hereinafter referred to as the "Operating Expense Increase", in accordance with the following provisions:

(a) "Base Year" is as specified in Paragraph 1.9.

(b) "Comparison Year" is defined as each calendar year during the term of this Lease subsequent to the Base Year; provided, however, Lessee shall have no obligation to pay a share of the Operating Expense Increase applicable to the first 12 months of the Lease Term (other than such as are mandated by a governmental authority, as to which government mandated expenses Lessee shall pay Lessee's Share, notwithstanding they occur during the first twelve (12) months). Lessee's Share of the Operating Expense Increase for the first and last Comparison Years of the Lease Term shall be prorated according to that portion of such Comparison Year as to which Lessee is responsible for a share of such increase.

(c) The following costs relating to the ownership and operation of the Project, calculated as if the Project was at least 95% occupied, are defined as "Operating Expenses":

(i) Costs relating to the operation, repair, and maintenance in neat, clean, safe, good order and condition, but not the replacement (see subparagraph (g)), of the following:

(aa) The Common Areas, including their surfaces, coverings, decorative items, carpets, drapes and window coverings, and including parking areas, loading and unloading areas, trash areas, roadways, sidewalks, walkways, stairways, parkways, driveways, landscaped areas, striping, bumpers, irrigation systems, Common Area lighting facilities, building exteriors and roofs, fences and gates;

(bb) All heating, air conditioning, plumbing, electrical systems, life safety equipment, communication systems and other equipment used in common by, or for the benefit of, tenants or occupants of the Project, including elevators and escalators, tenant directories, fire detection systems including sprinkler system maintenance and repair.

(cc) All other areas and improvements that are within the exterior boundaries of the Project but outside of the Premises and/or any other space occupied by a tenant.

(ii) The cost of trash disposal, janitorial and security services, pest control services, and the costs of any environmental inspections;

(iii) The cost of any other service to be provided by Lessor that is elsewhere in this Lease stated to be an "Operating Expense";

(iv) The cost of the premiums for the insurance policies maintained by Lessor pursuant to paragraph 8 and any deductible portion of an insured loss concerning the Building or the Common Areas;

(v) The amount of the Real Property Taxes payable by Lessor pursuant to paragraph 10;

(vi) The cost of water, sewer, gas, electricity, and other publicly mandated services not separately metered;

(vii) Labor, salaries, and applicable fringe benefits and costs, materials, supplies and tools, used in maintaining and/or cleaning the Project and accounting and management fees attributable to the operation of the Project;

(viii) The cost of any capital improvement to the Building or the Project not covered under the provisions of paragraph 2.3 provided; however, that Lessor shall allocate the cost of any such capital improvement over a 12 year period and Lessee shall not be required to pay more than Lessee's Share of 1/144th of the cost of such Capital Expenditure in any given month;

Notwithstanding the foregoing, Lessee may use any ordinary and customary materials reasonably required to be used in the normal course of the Agreed Use such as ordinary office supplies (crayon, toner, liquid paper, glue, etc.) and common household cleaning materials, so long as such use is in compliance with all Applicable Requirements, is not a Reportable Use, and does not expose the Premises or neighboring property to any meaningful risk of contamination or damage or expose Lessor to any liability therefor. In addition, Lessor may condition its consent to any Reportable Use upon receiving such additional assurances as Lessor reasonably deems necessary to protect itself, the public, the Premises and/or the environment against damage, contamination, injury and/or liability, including, but not limited to, the installation (and removal on or before Lease expiration or termination) of protective modifications (such as concrete encasements) and/or increasing the Security Deposit.

(b) **Duty to Inform Lessor.** If Lessee knows, or has reasonable cause to believe, that a Hazardous Substance has come to be located in, on, under or about the Premises, other than as previously consented to by Lessor, Lessee shall immediately give written notice of such fact to Lessor, and provide Lessor with a copy of any report, notice, claim or other documentation which it has concerning the presence of such Hazardous Substance.

(c) **Lessee Remediation.** Lessee shall not cause or permit any Hazardous Substance to be spilled or released in, on, under, or about the Premises (including through the plumbing or sanitary sewer system) and shall promptly, at Lessee's expense, comply with all Applicable Requirements and take all investigatory and/or remedial action reasonably recommended, whether or not formally ordered or required, for the cleanup of any contamination of, and for the maintenance, security and/or monitoring of the Premises or neighboring properties, that was caused or materially contributed to by Lessee, or pertaining to or involving any Hazardous Substance brought onto the Premises during the term of this Lease, by or for Lessee, or any third party.

(d) **Lessee Indemnification.** Lessee shall indemnify, defend and hold Lessor, its agents, employees, lenders and ground lessor, if any, harmless from and against any and all loss of rents and/or damages, liabilities, judgments, claims, expenses, penalties, and attorneys' and consultants' fees arising out of or involving any Hazardous Substance brought onto the Premises by or for Lessee, ~~or any third party or any of Lessee's employees, agents, or invitees, during the Term of this Lease, or any extension thereof~~ (provided, however, that Lessee shall have no liability under this Lease with respect to underground migration of any Hazardous Substance under the Premises from areas outside of the Project not caused or contributed to by Lessee). Lessee's obligations shall include, but not be limited to, the effects of any contamination or injury to person, property or the environment created or suffered by Lessee, and the cost of investigation, removal, remediation, restoration and/or abatement, and shall survive the expiration or termination of this Lease. No termination, cancellation or release agreement entered into by Lessor and Lessee shall release Lessee from its obligations under this Lease with respect to Hazardous Substances, unless specifically so agreed by Lessor in writing at the time of such agreement.

(e) **Lessor Indemnification.** Lessor and its successors and assigns shall indemnify, defend, reimburse and hold Lessee, its employees, ~~directors, agents~~ and lenders, harmless from and against any and all environmental damages, including the cost of remediation, which result from Hazardous Substances which existed on the Premises prior to Lessee's occupancy or which are caused by the gross negligence or willful misconduct of Lessor, its agents or employees. Lessor's obligations, as and when required by the Applicable Requirements, shall include, but not be limited to, the cost of investigation, removal, remediation, restoration and/or abatement, and shall survive the expiration or termination of this Lease.

(f) **Investigations and Remediations.** Lessor shall retain the responsibility and pay for any investigations or remediation measures required by governmental entities having jurisdiction with respect to the existence of Hazardous Substances on the Premises prior to Lessee's occupancy, unless such remediation measure is required as a result of Lessee's use (including "Alterations", as defined in paragraph 7.3(a) below) of the Premises, in which event Lessee shall be responsible for such payment. Lessee shall cooperate fully in any such activities at the request of Lessor, including allowing Lessor and Lessor's agents to have reasonable access to the Premises at reasonable times in order to carry out Lessor's investigative and remedial responsibilities.

(g) **Lessor Termination Option.** If a Hazardous Substance Condition (see Paragraph 9.1(e)) occurs during the term of this Lease, unless Lessee is legally responsible therefor (in which case Lessee shall make the investigation and remediation thereof required by the Applicable Requirements and this Lease shall continue in full force and effect, but subject to Lessor's rights under Paragraph 6.2(d) and Paragraph 13), Lessor may, at Lessor's option, either (i) investigate and remediate such Hazardous Substance Condition, if required, as soon as reasonably possible at Lessor's expense, in which event this Lease shall continue in full force and effect, or (ii) if the estimated cost to remediate such condition exceeds 12 times the then monthly Base Rent or \$100,000, whichever is greater, give written notice to Lessee, within 30 days after receipt by Lessor of knowledge of the occurrence of such Hazardous Substance Condition, of Lessor's desire to terminate this Lease as of the date 60 days following the date of such notice. In the event Lessor elects to give a termination notice, Lessee may, within 10 days thereafter, give written notice to Lessor of Lessee's commitment to pay the amount by which the cost of the remediation of such Hazardous Substance Condition exceeds an amount equal to 12 times the then monthly Base Rent or \$100,000, whichever is greater. Lessee shall provide Lessor with said funds or satisfactory assurance thereof within 30 days following such commitment. In such event, this Lease shall continue in full force and effect, and Lessor shall proceed to make such remediation as soon as reasonably possible after the required funds are available. If Lessee does not give such notice and provide the required funds or assurance thereof within the time provided, this Lease shall terminate as of the date specified in Lessor's notice of termination.

6.3 **Lessee's Compliance with Applicable Requirements.** Except as otherwise provided in this Lease, Lessee shall, at Lessee's sole expense, fully, diligently and in a timely manner, materially comply with all Applicable Requirements, the requirements of any applicable fire insurance underwriter or rating bureau, and the recommendations of Lessor's engineers and/or consultants which relate in any manner to the Premises, without regard to whether said requirements are now in effect or become effective after the Start Date. Lessee shall, within 10 days after receipt of Lessor's written request, provide Lessor with copies of all permits and other documents, and other information evidencing Lessee's compliance with any Applicable Requirements specified by Lessor, and shall immediately upon receipt, notify Lessor in writing (with copies of any documents involved) of any threatened or actual claim, notice, citation, warning, complaint or report pertaining to or involving the failure of Lessee or the Premises to comply with any Applicable Requirements. Likewise, Lessee shall immediately give written notice to Lessor of: (i) any water damage to the Premises and any suspected seepage, pooling, dampness or other condition conducive to the production of mold; or (ii) any mustiness or other odors that might indicate the presence of mold in the Premises.

6.4 **Inspection; Compliance.** Lessor and Lessor's "Lender" (as defined in Paragraph 30) and consultants shall have the right to enter into Premises at any time, in the case of an emergency, and otherwise at reasonable times, after reasonable written notice of not less than twenty-four (24) hours, for the purpose of inspecting the condition of the Premises and for verifying compliance by Lessee with this Lease. The cost of any such inspections shall be paid by Lessor, unless a violation of Applicable Requirements, or a Hazardous Substance Condition (see paragraph 9.1e) is found to exist or be imminent, or the inspection is requested or ordered by a governmental authority due to the conduct of Lessee. In such case, Lessee shall upon request reimburse Lessor for the cost of such inspection, so long as such inspection is reasonably related to

(ix) The cost to replace equipment or improvements that have a useful life for accounting purposes of 5 years or

less.

(x) Reserves set aside for maintenance, repair and/or replacement of Common Area improvements and equipment.

(d) Any item of Operating Expense that is specifically attributable to the Premises, the Building or to any other building in the Project or to the operation, repair and maintenance thereof, shall be allocated entirely to such Premises, Building, or other building. However, any such item that is not specifically attributable to the Building or to any other building or to the operation, repair and maintenance thereof, shall be equitably allocated by Lessor to all buildings in the Project.

(e) The inclusion of the improvements, facilities and services set forth in Subparagraph 4.2(c) shall not be deemed to impose an obligation upon Lessor to either have said improvements or facilities or to provide those services unless the Project already has the same, Lessor already provides the services, or Lessor has agreed elsewhere in this Lease to provide the same or some of them.

(f) Lessee's Share of Operating Expense Increase is payable monthly on the same day as the Base Rent is due hereunder. The amount of such payments shall be based on Lessor's estimate of the Operating Expense Expenses. Within 60 days after written request (but not more than once each year) Lessor shall deliver to Lessee a reasonably detailed statement showing Lessee's Share of the actual Common Area Operating Expenses for the preceding year. If Lessee's payments during such Year exceed Lessee's Share, Lessee shall credit the amount of such over-payment against Lessee's future payments. If Lessee's payments during such Year were less than Lessee's Share, Lessee shall pay to Lessor the amount of the deficiency within 30-40 days after delivery by Lessor to Lessee of said statement. Lessor and Lessee shall forthwith adjust between them by cash payment any balance determined to exist with respect to that portion of the last Comparison Year for which Lessee is responsible as to Operating Expense Increases, notwithstanding that the Lease term may have terminated before the end of such Comparison Year.

(g) Operating Expenses shall not include the costs of replacement for equipment or capital components such as the roof, foundations, exterior walls or a Common Area capital improvement, such as the parking lot paving, elevators, fences that have a useful life for accounting purposes of 5 years or more.

(h) Operating Expenses shall not include any expenses paid by any tenant directly to third parties, or as to which Lessor is otherwise reimbursed by any third party, other tenant, or by insurance proceeds.

4.3 Payment. Lessee shall cause payment of Rent to be received by Lessor in lawful money of the United States on or before the day on which it is due, without offset or deduction (except as specifically permitted in this Lease). All monetary amounts shall be rounded to the nearest whole dollar. In the event that any invoice prepared by Lessor is inaccurate such inaccuracy shall not constitute a waiver and Lessee shall be obligated to pay the amount set forth in this Lease. Rent for any period during the term hereof which is for less than one full calendar month shall be prorated based upon the actual number of days of said month. Payment of Rent shall be made to Lessor at its address stated herein or to such other persons or place as Lessor may from time to time designate in writing. Acceptance of a payment which is less than the amount then due shall not be a waiver of Lessor's rights to the balance of such Rent, regardless of Lessor's endorsement of any check so stating. In the event that any check, draft, or other instrument of payment given by Lessee to Lessor is dishonored for any reason, Lessee agrees to pay to Lessor the sum of \$25 in addition to any Late Charge and Lessor, at its option, may require all future Rent be paid by cashier's check. Payments will be applied first to accrued late charges and attorney's fees, second to accrued interest, then to Base Rent and Common Area Operating Expenses, and any remaining amount to any other outstanding charges or costs.

i. Security Deposit. Lessee shall deposit with Lessor upon execution hereof the Security Deposit as security for Lessee's faithful performance of its obligations under this Lease. If Lessee fails to pay Rent, or otherwise Defaults under this Lease, Lessor may use, apply or retain all or any portion of said Security Deposit for the payment of any amount already due Lessor, for Rents which will be due in the future, and/ or to reimburse or compensate Lessor for any liability, expense, loss or damage which Lessor may suffer or incur by reason thereof. If Lessor uses or applies all or any portion of the Security Deposit, Lessee shall within 20-40 days after written request therefor deposit monies with Lessor sufficient to restore said Security Deposit to the full amount required by this Lease. If the Base Rent increases during the term of this Lease, Lessee shall, upon written request from Lessor, deposit additional monies with Lessor so that the total amount of the Security Deposit shall at all times bear the same proportion to the increased Base Rent as the initial Security Deposit bore to the initial Base Rent. Should the Agreed Use be amended to accommodate a material change in the business of Lessee or to accommodate a sublessee or assignee, Lessor shall have the right to increase the Security Deposit to the extent necessary; in Lessor's reasonable judgment, to account for any increased wear and tear that the Premises may suffer as a result thereof. If a change in control of Lessee occurs during this Lease and following such change the financial condition of Lessee is, in Lessor's reasonable judgment, significantly reduced, Lessee shall deposit such additional monies with Lessor as shall be sufficient to cause the Security Deposit to be at a commercially reasonable level based on such change in financial condition. Lessor shall not be required to keep the Security Deposit separate from its general accounts. Within 30-90 days after the expiration or termination of this Lease, Lessor shall return that portion of the Security Deposit not used or applied by Lessor. No part of the Security Deposit shall be considered to be held in trust, to bear interest or to be prepayment for any monies to be paid by Lessee under this Lease.

Use.

6.1 Use. Lessee shall use and occupy the Premises only for the Agreed Use, or any other legal use which is reasonably comparable hereto, and for no other purpose. Lessee shall not use or permit the use of the Premises in a manner that is unlawful, creates damage, waste or nuisance, or that disturbs occupants of or causes damage to neighboring premises or properties. Other than guide, signal and seeing eye dogs, Lessee shall not keep or allow in the Premises any pets, animals, birds, fish, or reptiles. Lessor shall not unreasonably withhold or delay its consent to any written request for a modification of the Agreed Use, so long as the same will not impair the structural integrity of the improvements of the Building, will not adversely affect the mechanical, electrical, HVAC, and other systems of the Building, and/or will not affect the exterior appearance of the Building. If Lessor elects to withhold consent, Lessor shall within 7 days after such request give written notification of same, which notice shall include an explanation of Lessor's objections to the change in the Agreed Use.

6.2 Hazardous Substances.

(a) **Reportable Uses Require Consent.** The term "Hazardous Substance" as used in this Lease shall mean any product, substance, or waste whose presence, use, manufacture, disposal, transportation, or release, either by itself or in combination with other materials expected to be on the Premises, is either: (i) potentially injurious to the public health, safety or welfare, the environment or the Premises, (ii) regulated or monitored by any governmental authority, or (iii) a basis for potential liability of Lessor to any governmental agency or third party under any applicable statute or common law theory. Hazardous Substances shall include, but not be limited to, hydrocarbons, petroleum, gasoline, and/or crude oil or any products, byproducts or fractions thereof. Lessee shall not engage in any activity in or on the Premises which constitutes a Reportable Use of Hazardous Substances without the express prior written consent of Lessor and timely compliance (at Lessee's expense) with all Applicable Requirements. "Reportable Use" shall mean (i) the installation or use of any above or below ground storage tank, (ii) the generation, possession, storage, use, transportation, or disposal of a Hazardous Substance that requires a permit from, or with respect to which a report, notice, registration or business plan is required to be filed with, any governmental authority, and/or (iii) the presence at the Premises of a Hazardous Substance with respect to which any Applicable Requirements requires that a notice be given to persons entering or occupying the Premises or neighboring properties.

the violation or contamination. In addition, Lessee shall provide copies of all relevant material safety data sheets (MSDS) to Lessor within 30 40 days of the receipt of written request therefor.

7. Maintenance; Repairs; Utility Installations; Trade Fixtures and Alterations.

7.1 Lessee's Obligations. Notwithstanding Lessor's obligation to keep the Premises in good condition and repair, Lessee shall be responsible for payment of the cost thereof to Lessor as additional rent for that portion of the cost of any maintenance and repair of the Premises, or any equipment (wherever located) that serves only Lessee or the Premises, to the extent such cost is attributable to abuse or misuse. Lessee shall be responsible for the cost of painting, repairing or replacing wall coverings, and to repair or replace any improvements within the Premises. ~~Lessor may, at its option, upon reasonable notice, elect to have Lessee perform any particular such maintenance or repairs the cost of which is otherwise Lessee's responsibility hereunder.~~

7.2 Lessor's Obligations. Subject to the provisions of Paragraphs 2.2 (Condition), 2.3 (Compliance), 4.2 (Operating Expenses), 6 (Use), 7.1 (Lessee's Obligations), 9 (Damage or Destruction) and 14 (Condemnation), Lessor, subject to reimbursement pursuant to Paragraph 4.2, shall keep in good order, condition and repair the foundations, exterior walls, structural condition of interior bearing walls, exterior roof, fire sprinkler system, fire alarm and/or smoke detection systems, fire hydrants, and the Common Areas. Lessee expressly waives the benefit of any statute now or hereafter in effect to the extent it is inconsistent with the terms of this Lease.

7.3 Utility Installations; Trade Fixtures; Alterations.

(a) Definitions. The term "Utility Installations" refers to all floor and window coverings, air lines, vacuum lines, power panels, electrical distribution, security and fire protection systems, communication cabling, lighting fixtures, HVAC equipment, and plumbing in or on the Premises. The term "Trade Fixtures" shall mean Lessee's machinery and equipment that can be removed without doing material damage to the Premises. The term "Alterations" shall mean any modification of the improvements, other than Utility Installations or Trade Fixtures, whether by addition or deletion. "Lessee Owned Alterations and/or Utility Installations" are defined as Alterations and/or Utility Installations made by Lessee that are not yet owned by Lessor pursuant to Paragraph 7.4(a).

Lessor acknowledges that Lessee intends to construct tenant improvements in the Premises consistent with the Agreed Use, and Lessor acknowledges Lessee's right to construct such improvements in the Premises, subject to Lessor's rights set forth herein.

(b) Consent. Lessee shall not make any Alterations or Utility Installations to the Premises without Lessor's prior written consent, which shall not be unreasonably withheld, conditioned or delayed. Lessee may, however, make non-structural Alterations or Utility Installations to the interior of the Premises (excluding the roof) without such consent but upon notice to Lessor, as long as they are not visible from the outside, do not involve puncturing, relocating or removing the roof, ceilings, floors or any existing walls, will not affect the electrical, plumbing, HVAC, and/or life safety systems, and the cumulative cost thereof does not exceed \$10,000 in any one year, and the cumulative cost during this Lease as extended does not exceed ~~\$50,000.00~~ ~~\$2000~~. Notwithstanding the foregoing, Lessee shall not make or permit any roof penetrations and/or install anything on the roof without the prior written approval of Lessor. ~~Lessor may, as a precondition to granting such approval, require Lessee to utilize a contractor chosen and/or approved by Lessor.~~ Any Alterations or Utility Installations that Lessee shall desire to make and which require the consent of the Lessor shall be presented to Lessor in written form with detailed plans. Subject to the rights of Lessee to make non-structural Utility Installations without approval as set forth above, Lessor shall have a period of fifteen (15) days from receipt of the plans within which to approve the proposed Alteration(s) after which time they shall be deemed approved by Lessor. Any Alteration made by Lessee after consent has been given, and any fixtures (except Trade Fixtures) installed as part of the construction, shall throughout the Lease remain the property of Lessee, but shall, at Lessor's option, become the property of Lessor on the expiration or other earlier termination of this Lease, as provided for in Paragraph 7.4(b), below. Consent shall be deemed conditioned upon Lessee's: (i) acquiring all applicable governmental permits, (ii) furnishing Lessor with copies of both the permits and the plans and specifications prior to commencement of the work, and (iii) compliance with all conditions of said permits and other Applicable Requirements in a prompt and expeditious manner. Any Alterations or Utility Installations shall be performed in a workmanlike manner with good and sufficient materials. Lessee shall promptly upon completion furnish Lessor with asbuilt plans and specifications. ~~For work which costs an amount in excess of one month's Base Rent, Lessor may condition its consent upon Lessee providing a lien and completion bond in an amount equal to 150% of the estimated cost of such Alteration or Utility Installation and/or upon Lessee's posting an additional Security Deposit with Lessor.~~

(c) Liens; Bonds. Lessee shall pay, when due, all claims for labor or materials furnished or alleged to have been furnished to or for Lessee at or for use on the Premises, which claims are or may be secured by any mechanic's or materialmen's lien against the Premises or any interest therein. Lessee shall give Lessor not less than 10 days notice prior to the commencement of any work in, on or about the Premises, and Lessor shall have the right to post notices of non-responsibility. If Lessee shall contest the validity of any such lien, claim or demand, then Lessee shall, at its sole expense defend and protect itself, Lessor and the Premises against the same and shall pay and satisfy any such adverse judgment that may be rendered thereon before the enforcement thereof. If Lessor shall require, Lessee shall furnish a surety bond in an amount equal to 150% of the amount of such contested lien, claim or demand, indemnifying Lessor against liability for the same. If Lessor elects to participate in any such action, Lessee shall pay Lessor's reasonable attorneys' fees and costs.

7.4 Ownership; Removal; Surrender; and Restoration.

(a) Ownership. Subject to Lessor's right to require removal or elect ownership as hereinafter provided, all Alterations and Utility Installations made by Lessee shall be the property of Lessee, but considered a part of the Premises. Lessor may, at any time, elect in writing to be the owner of all or any specified part of the Lessee Owned Alterations and Utility Installations. Unless otherwise instructed per paragraph 7.4(b) hereof, all Lessee Owned Alterations and Utility Installations shall, at the expiration or termination of this Lease, become the property of Lessor and be surrendered by Lessee with the Premises.

(b) Removal. By delivery to Lessee of written notice from Lessor not earlier than 180 90 and not later than 120 30 days prior to the end of the term of this Lease, Lessor may require that any or all Lessee Owned Alterations or Utility Installations be removed by the expiration or

termination of this Lease. Lessor may require the removal at any time of all or any part of any Lessee Owned Alterations or Utility Installations made without the required consent.

(c) **Surrender; Restoration.** Lessee shall surrender the Premises by the Expiration Date or any earlier termination date, with all of the improvements, parts and surfaces thereof clean and free of debris, and in good operating order, condition and state of repair, ordinary wear and tear excepted. "Ordinary wear and tear" shall not include any damage or deterioration that would have been prevented by good maintenance practice. Notwithstanding the foregoing, if this Lease is for 12 months or less, then Lessee shall surrender the Premises in the same condition as delivered to Lessee on the Start Date with NO allowance for ordinary wear and tear. Lessee shall repair any damage occasioned by the installation, maintenance or removal of Trade Fixtures, Lessee owned Alterations and/or Utility Installations, furnishings, and equipment as well as the removal of any storage tank installed by or for Lessee. Lessee shall also completely remove from the Premises any and all Hazardous Substances brought onto the Premises by or for Lessee, or any third party (except Hazardous Substances which were deposited via underground migration from areas outside of the Premises) even if such removal would require Lessee to perform or pay for work that exceeds statutory requirements. Trade Fixtures shall remain the property of Lessee and shall be removed by Lessee. Any personal property of Lessee not removed on or before the Expiration Date or any earlier termination date shall be deemed to have been abandoned by Lessee and may be disposed of or retained by Lessor as Lessor may desire. The failure by Lessee to timely vacate the Premises pursuant to this Paragraph 7.4(c) without the express written consent of Lessor shall constitute a holdover under the provisions of Paragraph 26 below.

3. **Insurance; Indemnity.**

8.1 **Insurance Premiums.** The cost of the premiums for the insurance policies maintained by Lessor pursuant to paragraph 8 are included as Operating Expenses (see paragraph 4.2 (c)(iv)). Said costs shall include increases in the premiums resulting from additional coverage related to requirements of the holder of a mortgage or deed of trust covering the Premises, Building and/or Project, increased valuation of the Premises, Building and/or Project, and/or a general premium rate increase. Said costs shall not, however, include any premium increases resulting from the nature of the occupancy of any other tenant of the Building. If the Project was not insured for the entirety of the Base Year, then the base premium shall be the lowest annual premium reasonably obtainable for the required insurance as of the Start Date, assuming the most nominal use possible of the Building and/or Project. In no event, however, shall Lessee be responsible for any portion of the premium cost attributable to liability insurance coverage in excess of \$2,000,000 procured under Paragraph 8.2(b).

8.2 **Liability Insurance.**

(a) **Carried by Lessee.** Lessee shall obtain and keep in force a Commercial General Liability policy of insurance protecting Lessee and Lessor as an additional insured against claims for bodily injury, personal injury and property damage based upon or arising out of the ownership, use, occupancy or maintenance of the Premises and all areas appurtenant thereto. Such insurance shall be on an occurrence basis providing single limit coverage in an amount not less than \$24,000,000 per occurrence with an annual aggregate of not less than \$24,000,000. Lessee shall add Lessor as an additional insured by means of an endorsement at least as broad as the Insurance Service Organization's "Additional Insured-Managers or Lessors of Premises" Endorsement and coverage shall also be extended to include damage caused by heat, smoke or fumes from a hostile fire. The policy shall not contain any intra-insured exclusions as between insured persons or organizations, but shall include coverage for liability assumed under this Lease as an "insured contract" for the performance of Lessee's indemnity obligations under this Lease. The limits of said insurance shall not, however, limit the liability of Lessee nor relieve Lessee of any obligation hereunder. Lessee shall provide an endorsement on its liability policy(ies) which provides that its insurance shall be primary to and not contributory with any similar insurance carried by Lessor, whose insurance shall be considered excess insurance only.

(b) **Carried by Lessor.** Lessor shall maintain liability insurance as described in Paragraph 8.2(a), in addition to, and not in lieu of, the insurance required to be maintained by Lessee. Lessee shall not be named as an additional insured therein.

8.3 **Property Insurance - Building, Improvements and Rental Value.**

(a) **Building and Improvements.** Lessor shall obtain and keep in force a policy or policies of insurance in the name of Lessor, with loss payable to Lessor, any ground-lessor, and to any Lender insuring loss or damage to the Building and/or Project. The amount of such insurance shall be equal to the full insurable replacement cost of the Building and/or Project, as the same shall exist from time to time, or the amount required by any Lender, but in no event more than the commercially reasonable and available insurable value thereof. Lessee Owned Alterations and Utility Installations, Trade Fixtures, and Lessee's personal property shall be insured by Lessee not by Lessor. If the coverage is available and commercially appropriate, such policy or policies shall insure against all risks of direct physical loss or damage (except the perils of flood and/or earthquake unless required by a Lender), including coverage for debris removal and the enforcement of any Applicable Requirements requiring the upgrading, demolition, reconstruction or replacement of any portion of the Premises as the result of a covered loss. Said policy or policies shall also contain an agreed valuation provision in lieu of any coinsurance clause, waiver of subrogation, and inflation guard protection causing an increase in the annual property insurance coverage amount by a factor of not less than the adjusted U.S. Department of Labor Consumer Price Index for All Urban Consumers for the city nearest to where the Premises are located. If such insurance coverage has a deductible clause, the deductible amount shall not exceed \$5,000 per occurrence.

(b) **Rental Value.** Lessor shall also obtain and keep in force a policy or policies in the name of Lessor with loss payable to Lessor and any Lender, insuring the loss of the full Rent for one year with an extended period of indemnity for an additional 180 days ("**Rental Value Insurance**"). Said insurance shall contain an agreed valuation provision in lieu of any coinsurance clause, and the amount of coverage shall be adjusted annually to reflect the projected Rent otherwise payable by Lessee, for the next 12 month period.

(c) **Adjacent Premises.** Lessee shall pay for any increase in the premiums for the property insurance of the Building and for the Common Areas or other buildings in the Project if said increase is caused by Lessee's acts, omissions, use or occupancy of the Premises.

(d) **Lessee's Improvements.** Since Lessor is the Insuring Party, Lessor shall not be required to insure Lessee Owned Alterations and Utility Installations unless the item in question has become the property of Lessor under the terms of this Lease.

8.4 **Lessee's Property; Business Interruption Insurance; Worker's Compensation Insurance.**

(a) **Property Damage.** Lessee shall obtain and maintain insurance coverage on all of Lessee's personal property, Trade Fixtures, and Lessee Owned Alterations and Utility Installations. Such insurance shall be full replacement cost coverage with a deductible of not to exceed \$1,000 per occurrence. The proceeds from any such insurance shall be used by Lessee for the replacement of personal property, Trade Fixtures and Lessee Owned Alterations and Utility Installations. Lessee shall provide Lessor with written evidence that such insurance is in force.

(b) **Worker's Compensation Insurance.** Lessee shall obtain and maintain Worker's Compensation Insurance in such amount as may be required by Applicable Requirements.

(c) **Business Interruption.** Lessee shall obtain and maintain loss of income and extra expense insurance in amounts as will reimburse Lessee for direct or indirect loss of earnings attributable to all perils commonly insured against by prudent lessees in the business of Lessee or attributable to prevention of access to the Premises as a result of such perils.

(d) **No Representation of Adequate Coverage.** Lessor makes no representation that the limits or forms of coverage of insurance

specified herein are adequate to cover Lessee's property, business operations or obligations under this Lease.

8.5 **Insurance Policies.** Insurance required herein shall be by companies maintaining a "General Policyholders Rating" of at least A-, VII, as set forth in the most current issue of "Best's Insurance Guide", or such other rating as may be required by a Lender. Lessee shall not do or permit to be done anything which invalidates the required insurance policies. Lessee shall, prior to the Start Date, deliver to Lessor certified copies of policies of such insurance or certificates with copies of the required endorsements evidencing the existence and amounts of the required insurance. No such policy shall be cancelable or subject to modification except after 10 days prior written notice to Lessor. Lessee shall, at least 30 days prior to the expiration of such policies, furnish Lessor with evidence of renewals or "insurance binders" evidencing renewal thereof, or Lessor may order such insurance and charge the cost thereof to Lessee, which amount shall be payable by Lessee to Lessor upon demand. Such policies shall be for a term of at least one year, or the length of the remaining term of this Lease, whichever is less. If either Party shall fail to procure and maintain the insurance required to be carried by it, the other Party may, but shall not be required to, procure and maintain the same.

8.6 **Waiver of Subrogation.** Without affecting any other rights or remedies, Lessee and Lessor each hereby release and relieve the other, and waive their entire right to recover damages against the other, for loss of or damage to its property arising out of or incident to the perils required to be insured against herein. The effect of such releases and waivers is not limited by the amount of insurance carried or required, or by any deductibles applicable hereto. The Parties agree to have their respective property damage insurance carriers waive any right to subrogation that such companies may have against Lessor or Lessee, as the case may be, so long as the insurance is not invalidated thereby.

8.7 **Indemnity.** Except for Lessor's gross negligence or willful misconduct, Lessee shall indemnify, protect, defend and hold harmless the Premises, Lessor and its agents, Lessor's master or ground lessor, partners and Lenders, from and against any and all claims, loss of rents and/or damages, liens, judgments, penalties, attorneys' and consultants' fees, expenses and/or liabilities arising out of, involving, or in connection with, the use and/or occupancy of the Premises by Lessee. If any action or proceeding is brought against Lessor by reason of any of the foregoing matters, Lessee shall upon notice defend the same at Lessee's expense by counsel reasonably satisfactory to Lessor and Lessor shall cooperate with Lessee in such defense. Lessor need not have first paid any such claim in order to be defended or indemnified.

8.8 **Exemption of Lessor and its Agents from Liability.** Notwithstanding the negligence or breach of this Lease by Lessor or its agents, neither Lessor nor its agents shall be liable under any circumstances (unless caused by Lessor or its agents' gross negligence) for: (i) injury or damage to the person or goods, wares, merchandise or other property of Lessee, Lessee's employees, contractors, invitees, customers, or any other person in or about the Premises, whether such damage or injury is caused by or results from fire, steam, electricity, gas, water or rain, indoor air quality, the presence of mold or from the breakage, leakage, obstruction or other defects of pipes, fire sprinklers, wires, appliances, plumbing, HVAC or lighting fixtures, or from any other cause, whether the said injury or damage results from conditions arising upon the Premises or upon other portions of the Building, or from other sources or places, (ii) any damages arising from any act or neglect of any other tenant of Lessor or from the failure of Lessor or its agents to enforce the provisions of any other lease in the Project, or (iii) injury to Lessee's business or for any loss of income or profit therefrom. Instead, it is intended that Lessee's sole recourse in the event of such damages or injury be to file a claim on the insurance policy(ies) that Lessee is required to maintain pursuant to the provisions of paragraph 8.

8.9 **Failure to Provide Insurance.** Lessee acknowledges that any failure on its part to obtain or maintain the insurance required herein will expose Lessor to risks and potentially cause Lessor to incur costs not contemplated by this Lease, the extent of which will be extremely difficult to ascertain. Accordingly, for any month or portion thereof that Lessee does not maintain the required insurance and/or does not provide Lessor with the required binders or certificates evidencing the existence of the required insurance, the Base Rent shall be automatically increased, without any requirement for notice to Lessee, by an amount equal to 10% of the then existing Base Rent or \$100, whichever is greater. The parties agree that such increase in Base Rent represents fair and reasonable compensation for the additional risk/costs that Lessor will incur by reason of Lessee's failure to maintain the required insurance. Such increase in Base Rent shall in no event constitute a waiver of Lessee's Default or Breach with respect to the failure to maintain such insurance, prevent the exercise of any of the other rights and remedies granted hereunder, nor relieve Lessee of its obligation to maintain the insurance specified in this Lease.

9. **Damage or Destruction.**

9.1 **Definitions.**

(a) "**Premises Partial Damage**" shall mean damage or destruction to the improvements on the Premises, other than Lessee Owned Alterations and Utility Installations, which can reasonably be repaired in 9 3 months or less from the date of the damage or destruction, and the cost thereof does not exceed a sum equal to 50% of the replacement cost 6-month's Base Rent. Lessor shall notify Lessee in writing within 30 days from the date of the damage or destruction as to whether or not the damage is Partial or Total.

(b) "**Premises Total Destruction**" shall mean damage or destruction to the improvements on the Premises, other than Lessee Owned Alterations and Utility Installations and Trade Fixtures, which cannot reasonably be repaired in 9 3 months or less from the date of the damage or destruction and/or the cost thereof exceeds a sum equal to 50% of the replacement cost 6-month's Base Rent. Lessor shall notify Lessee in writing within 30 days from the date of the damage or destruction as to whether or not the damage is Partial or Total.

(c) "**Insured Loss**" shall mean damage or destruction to improvements on the Premises, other than Lessee Owned Alterations and Utility Installations and Trade Fixtures, which was caused by an event required to be covered by the insurance described in Paragraph 8.3(a), irrespective of any deductible amounts or coverage limits involved.

(d) "**Replacement Cost**" shall mean the cost to repair or rebuild the improvements owned by Lessor at the time of the occurrence to their condition existing immediately prior thereto, including demolition, debris removal and upgrading required by the operation of Applicable Requirements, and without deduction for depreciation.

(e) "**Hazardous Substance Condition**" shall mean the occurrence or discovery of a condition involving the presence of, or a contamination by, a Hazardous Substance, in, on, or under the Premises which requires restoration.

9.2 **Partial Damage - Insured Loss.** If a Premises Partial Damage that is an Insured Loss occurs, then Lessor shall, at Lessor's expense, repair such damage (but not Lessee's Trade Fixtures or Lessee Owned Alterations and Utility Installations) as soon as reasonably possible and this Lease shall continue in full force and effect; provided, however, that Lessee shall, at Lessor's election, make the repair of any damage or destruction the total cost to repair of which is \$5,000 or less, and, in such event, Lessor shall make any applicable insurance proceeds available to Lessee on a reasonable basis for that purpose. Notwithstanding the foregoing, if the required insurance was not in force or the insurance proceeds are not sufficient to effect such repair, the Insuring Party shall promptly contribute the shortage in proceeds as and when required to complete said repairs. In the event, however, such shortage was due to the fact that, by reason of the unique nature of the improvements, full replacement cost insurance coverage was not commercially reasonable and available, Lessor shall have no obligation to pay for the shortage in insurance proceeds or to fully restore the unique aspects of the Premises unless Lessee provides Lessor with the funds to cover same, or adequate assurance thereof, within 10 days following receipt of written notice of such shortage and request therefor. If Lessor receives said funds or adequate assurance thereof within said 10 day period, the party responsible for making the repairs shall complete them as soon as reasonably possible and this Lease shall remain in full force and

effect. If such funds or assurance are not received, Lessor may nevertheless elect by written notice to Lessee within 10 days thereafter to: (i) make such restoration and repair as is commercially reasonable with Lessor paying any shortage in proceeds, in which case this Lease shall remain in full force and effect, or (ii) have this Lease terminate 30 days thereafter. Lessee shall not be entitled to reimbursement of any funds contributed by Lessee to repair any such damage or destruction. Premises Partial Damage due to flood or earthquake shall be subject to Paragraph 9.3, notwithstanding that there may be some insurance coverage, but the net proceeds of any such insurance shall be made available for the repairs if made by either Party.

9.3 Partial Damage - Uninsured Loss. If a Premises Partial Damage that is not an Insured Loss occurs, unless caused by a negligent or willful act of Lessee (in which event Lessee shall make the repairs at Lessee's expense), Lessor may either: (i) repair such damage as soon as reasonably possible at Lessor's expense, in which event this Lease shall continue in full force and effect, or (ii) terminate this Lease by giving written notice to Lessee within 30 days after receipt by Lessor of knowledge of the occurrence of such damage. Such termination shall be effective 60 days following the date of such notice. In the event Lessor elects to terminate this Lease, Lessee shall have the right within 10 days after receipt of the termination notice to give written notice to Lessor of Lessee's commitment to pay for the repair of such damage without reimbursement from Lessor. Lessee shall provide Lessor with said funds or satisfactory assurance thereof within 30 days after making such commitment. In such event this Lease shall continue in full force and effect, and Lessor shall proceed to make such repairs as soon as reasonably possible after the required funds are available. If Lessee does not make the required commitment, this Lease shall terminate as of the date specified in the termination notice.

9.4 Total Destruction. Notwithstanding any other provision hereof, if a Premises Total Destruction occurs, this Lease shall terminate 30 days following such Destruction. If the damage or destruction was caused by the gross negligence or willful misconduct of Lessee, Lessor shall have the right to recover Lessor's damages from Lessee, except as provided in Paragraph 8.6.

9.5 Damage Near End of Term. If at any time during the last 6 months of this Lease there is damage for which the cost to repair exceeds one month's Base Rent, whether or not an Insured Loss, Lessor may terminate this Lease effective 60 days following the date of occurrence of such damage by giving a written termination notice to Lessee within 30 days after the date of occurrence of such damage. Notwithstanding the foregoing, if Lessee at that time has an exercisable option to extend this Lease or to purchase the Premises, then Lessee may preserve this Lease by, (a) exercising such option and (b) providing Lessor with any shortage in insurance proceeds (or adequate assurance thereof) needed to make the repairs on or before the earlier of (i) the date which is 10 days after Lessee's receipt of Lessor's written notice purporting to terminate this Lease, or (ii) the day prior to the date upon which such option expires. If Lessee duly exercises such option during such period and provides Lessor with funds (or adequate assurance thereof) to cover any shortage in insurance proceeds, Lessor shall, at Lessor's commercially reasonable expense, repair such damage as soon as reasonably possible and this Lease shall continue in full force and effect. If Lessee fails to exercise such option and provide such funds or assurance during such period, then this Lease shall terminate on the date specified in the termination notice and Lessee's option shall be extinguished.

9.6 Abatement of Rent; Lessee's Remedies.

(a) **Abatement.** In the event of Premises Partial Damage or Premises Total Destruction or a Hazardous Substance Condition for which Lessee is not responsible under this Lease, the Rent payable by Lessee for the period required for the repair, remediation or restoration of such damage shall be abated in proportion to the degree to which Lessee's use of the Premises is impaired, but not to exceed the proceeds received from the Rental Value insurance. All other obligations of Lessee hereunder shall be performed by Lessee, and Lessor shall have no liability for any such damage, destruction, remediation, repair or restoration except as provided herein.

(b) **Remedies.** If Lessor is obligated to repair or restore the Premises and does not commence, in a substantial and meaningful way, such repair or restoration within 90 days after such obligation shall accrue, Lessee may, at any time prior to the commencement of such repair or restoration, give written notice to Lessor and to any Lenders of which Lessee has actual notice, of Lessee's election to terminate this Lease on a date not less than 60 days following the giving of such notice. If Lessee gives such notice and such repair or restoration is not commenced within 30 days hereafter, this Lease shall terminate as of the date specified in said notice. If the repair or restoration is commenced within such 30 days, this Lease shall continue in full force and effect. "Commence" shall mean either the unconditional authorization of the preparation of the required plans, or the beginning of the actual work on the Premises, whichever first occurs.

9.7 Termination; Advance Payments. Upon termination of this Lease pursuant to Paragraph 6.2(g) or Paragraph 9, an equitable adjustment shall be made concerning advance Base Rent and any other advance payments made by Lessee to Lessor. Lessor shall, in addition, return to Lessee so much of Lessee's Security Deposit as has not been, or is not then required to be, used by Lessor.

10. Real Property Taxes.

10.1 Definitions. As used herein, the term "Real Property Taxes" shall include any form of assessment; real estate, general, special, ordinary or extraordinary, or rental levy or tax (other than inheritance, personal income or estate taxes); improvement bond; and/or license fee imposed upon or levied against any legal or equitable interest of Lessor in the Project, Lessor's right to other income therefrom, and/or Lessor's business of leasing, by any authority having the direct or indirect power to tax and where the funds are generated with reference to the Project address and where the proceeds so generated are to be applied by the city, county or other local taxing authority of a jurisdiction within which the Project is located. "Real Property Taxes" shall also include any tax, fee, levy, assessment or charge, or any increase therein: (i) imposed by reason of events occurring during the term of this Lease, including but not limited to, a change in the ownership of the Project, (ii) a change in the improvements thereon, and/or (iii) levied or assessed on machinery or equipment provided by Lessor to Lessee pursuant to this Lease.

10.2 Payment of Taxes. Except as otherwise provided in Paragraph 10.3, Lessor shall pay the Real Property Taxes applicable to the Project, and said payments shall be included in the calculation of Operating Expenses in accordance with the provisions of Paragraph 4.2.

10.3 Additional Improvements. Operating Expenses shall not include Real Property Taxes specified in the tax assessor's records and work sheets as being caused by additional improvements placed upon the Project by other lessees or by Lessor for the exclusive enjoyment of such other lessees. Notwithstanding Paragraph 10.2 hereof, Lessee shall, however, pay to Lessor at the time Operating Expenses are payable under Paragraph 4.2, the entirety of any increase in Real Property Taxes if assessed solely by reason of Alterations, Trade Fixtures or Utility Installations placed upon the Premises by Lessee or at Lessee's request or by reason of any alterations or improvements to the Premises made by Lessor subsequent to the execution of this Lease by the Parties.

10.4 Joint Assessment. If the Building is not separately assessed, Real Property Taxes allocated to the Building shall be an equitable proportion of the Real Property Taxes for all of the land and improvements included within the tax parcel assessed, such proportion to be determined by Lessor from the respective valuations assigned in the assessor's work sheets or such other information as may be reasonably available. Lessor's reasonable determination thereof, in good faith, shall be conclusive.

10.5 Personal Property Taxes. Lessee shall pay prior to delinquency all taxes assessed against and levied upon Lessee Owned Alterations and Utility Installations, Trade Fixtures, furnishings, equipment and all personal property of Lessee contained in the Premises. When possible, Lessee shall cause its Lessee Owned Alterations and Utility Installations, Trade Fixtures, furnishings, equipment and all other personal property to be assessed and billed separately from the real property of Lessor. If any of Lessee's said property shall be assessed with Lessor's real property, Lessee shall pay Lessor the taxes attributable to Lessee's property within 10 days after receipt of a written statement setting forth the taxes applicable to Lessee's property.

11. **Utilities and Services.**

11.1 **Services Provided by Lessor.** Lessor shall provide heating, ventilation, air conditioning, reasonable amounts of electricity for normal lighting and office machines, water for reasonable and normal drinking and lavatory use in connection with an office, and replacement light bulbs and/or fluorescent tubes and ballasts for standard overhead fixtures. Lessor shall also provide janitorial services to the Premises and Common Areas 5 times per week, excluding Building Holidays, or pursuant to the attached janitorial schedule, if any. Lessor shall not, however, be required to provide janitorial services to kitchens or storage areas included within the Premises.

11.2 **Services Exclusive to Lessee.** Lessee shall pay for all water, gas, light, power, telephone and other utilities and services specially or exclusively supplied and/or metered exclusively to the Premises or to Lessee, together with any taxes thereon. If a service is deleted by Paragraph 1.13 and such service is not separately metered to the Premises, Lessee shall pay at Lessor's option, either Lessee's Share or a reasonable proportion to be determined by Lessor of all charges for such jointly metered service.

11.3 **Hours of Service.** Said services and utilities shall be provided during times set forth in Paragraph 1.12. Utilities and services required at other times shall be subject to advance request and reimbursement by Lessee to Lessor of the cost thereof.

11.4 **Excess Usage by Lessee.** Lessee shall not make connection to the utilities except by or through existing outlets and shall not install or use machinery or equipment in or about the Premises that uses excess water, lighting or power, or suffer or permit any act that causes extra burden upon the utilities or services, including but not limited to security and trash services, over standard office usage for the Project. Lessor shall require Lessee to reimburse Lessor for any excess expenses or costs that may arise out of a breach of this subparagraph by Lessee. Lessor may, in its sole discretion, install at Lessee's expense supplemental equipment and/or separate metering applicable to Lessee's excess usage or loading.

11.5 **Interruptions.** There shall be no abatement of rent and Lessor shall not be liable in any respect whatsoever for the inadequacy, stoppage, interruption or discontinuance of any utility or service due to riot, strike, labor dispute, breakdown, accident, repair or other cause beyond Lessor's reasonable control or in cooperation with governmental request or directions.

12. **Assignment and Subletting.**

12.1 **Lessor's Consent Required.**

(a) Lessee shall not voluntarily or by operation of law assign, transfer, mortgage or encumber (collectively, "assign or assignment") or sublet all or any part of Lessee's interest in this Lease or in the Premises without Lessor's prior written consent, which shall not be unreasonably withheld, conditioned or delayed.

(b) Unless Lessee is a corporation and its stock is publicly traded on a national stock exchange, a change in the control of Lessee shall constitute an assignment requiring consent. The transfer, on a cumulative basis, of 50% or more of the voting control of Lessee shall constitute a change in control for this purpose.

(c) The involvement of Lessee or its assets in any transaction, or series of transactions (by way of merger, sale, acquisition, financing, transfer, leveraged buyout or otherwise), whether or not a formal assignment or hypothecation of this Lease or Lessee's assets occurs, which results or will result in a reduction of the Net Worth of Lessee by an amount greater than 25% of such Net Worth as it was represented at the time of the execution of this Lease or at the time of the most recent assignment to which Lessor has consented, or as it exists immediately prior to said transaction or transactions constituting such reduction, whichever was or is greater, shall be considered an assignment of this Lease to which Lessor may withhold its consent. "Net Worth of Lessee" shall mean the net worth of Lessee (excluding any guarantors) established under generally accepted accounting principles.

(d) An assignment or subletting without consent shall, at Lessor's option, be a Default curable after notice per Paragraph 13.1(c), or a noncurable Breach without the necessity of any notice and grace period. If Lessor elects to treat such unapproved assignment or subletting as a noncurable Breach, Lessor may either: (i) terminate this Lease, or (ii) upon 30 days written notice, increase the monthly Base Rent to 110% of the Base Rent then in effect. Further, in the event of such Breach and rental adjustment, (i) the purchase price of any option to purchase the Premises held by Lessee shall be subject to similar adjustment to 110% of the price previously in effect, and (ii) all fixed and non-fixed rental adjustments scheduled during the remainder of the Lease term shall be increased to 110% of the scheduled adjusted rent.

(e) Lessee's remedy for any breach of Paragraph 12.1 by Lessor shall be limited to compensatory damages and/or injunctive relief.

(f) Lessor may reasonably withhold consent to a proposed assignment or subletting if Lessee is in Default at the time consent is requested.

(g) Notwithstanding the foregoing, allowing a de minimis portion of the Premises, i.e. 20 square feet or less, to be used by a third party vendor in connection with the installation of a vending machine or payphone shall not constitute a subletting.

(h). **Permitted Transfers. See Addendum, Paragraph 58.**

12.2 **Terms and Conditions Applicable to Assignment and Subletting.**

(a) Regardless of Lessor's consent, no assignment or subletting shall: (i) be effective without the express written assumption by such assignee or sublessee of the obligations of Lessee under this Lease, (ii) release Lessee of any obligations hereunder, or (iii) alter the primary liability of Lessee for the payment of Rent or for the performance of any other obligations to be performed by Lessee.

(b) Lessor may accept Rent or performance of Lessee's obligations from any person other than Lessee pending approval or disapproval of an assignment. Neither a delay in the approval or disapproval of such assignment nor the acceptance of Rent or performance shall constitute a waiver or estoppel of Lessor's right to exercise its remedies for Lessee's Default or Breach.

(c) Lessor's consent to any assignment or subletting shall not constitute a consent to any subsequent assignment or subletting.

(d) In the event of any Default or Breach by Lessee, Lessor may proceed directly against Lessee, any Guarantors or anyone else responsible for the performance of Lessee's obligations under this Lease, including any assignee or sublessee, without first exhausting Lessor's remedies against any other person or entity responsible therefore to Lessor, or any security held by Lessor.

(e) Each request for consent to an assignment or subletting shall be in writing, accompanied by information relevant to Lessor's determination as to the financial and operational responsibility and appropriateness of the proposed assignee or sublessee, including but not limited to the intended use and/or required modification of the Premises, if any, together with a fee of \$500 as consideration for Lessor's considering and processing said request. Lessee agrees to provide Lessor with such other or additional information and/or documentation as may be reasonably requested. (See also Paragraph 36)

(f) Any assignee of, or sublessee under, this Lease shall, by reason of accepting such assignment, entering into such sublease, or entering into possession of the Premises or any portion thereof, be deemed to have assumed and agreed to conform and comply with each and every term, covenant, condition and obligation herein to be observed or performed by Lessee during the term of said assignment or sublease, other than such obligations as are contrary to or inconsistent with provisions of an assignment or sublease to which Lessor has specifically consented to in writing.

(g) Lessor's consent to any assignment or subletting shall not transfer to the assignee or sublessee any Option granted to the original Lessee by this Lease unless such transfer is specifically consented to by Lessor in writing. (See Paragraph 39.2)

12.3 **Additional Terms and Conditions Applicable to Subletting.** The following terms and conditions shall apply to any subletting by Lessee of all or any part of the Premises and shall be deemed included in all subleases under this Lease, whether or not expressly incorporated therein:

(a) Lessee hereby assigns and transfers to Lessor all of Lessee's interest in all Rent payable on any sublease, and Lessor may collect such Rent and apply same toward Lessee's obligations under this Lease; provided, however, that until a Breach shall occur in the performance of Lessee's obligations, Lessee may collect said Rent. In the event that the amount collected by Lessor exceeds Lessee's then outstanding obligations any such excess shall be refunded to Lessee. Lessor shall not, by reason of the foregoing or any assignment of such sublease, nor by reason of the collection of Rent, be deemed liable to the sublessee for any failure of Lessee to perform and comply with any of Lessee's obligations to such sublessee. Lessee hereby irrevocably authorizes and directs any such sublessee, upon receipt of a written notice from Lessor stating that a Breach exists in the performance of Lessee's obligations under this Lease, to pay to Lessor all Rent due and to become due under the sublease. Sublessee shall rely upon any such notice from Lessor and shall pay all Rents to Lessor without any obligation or right to inquire as to whether such Breach exists, notwithstanding any claim from Lessee to the contrary.

(b) In the event of a Breach by Lessee, Lessor may, at its option, require sublessee to attorn to Lessor, in which event Lessor shall undertake the obligations of the sublessor under such sublease from the time of the exercise of said option to the expiration of such sublease; provided, however, Lessor shall not be liable for any prepaid rents or security deposit paid by such sublessee to such sublessor or for any prior Defaults or Breaches of such sublessor.

(c) Any matter requiring the consent of the sublessor under a sublease shall also require the consent of Lessor.

(d) No sublessee shall further assign or sublet all or any part of the Premises without Lessor's prior written consent.

(e) Lessor shall deliver a copy of any notice of Default or Breach by Lessee to the sublessee, who shall have the right to cure the Default of Lessee within the grace period, if any, specified in such notice. The sublessee shall have a right of reimbursement and offset from and against Lessee for any such Defaults cured by the sublessee.

13. **Default; Breach; Remedies.**

13.1 **Default; Breach.** A "Default" is defined as a failure by the Lessee to comply with or perform any of the terms, covenants, conditions or Rules and Regulations under this Lease. A "Breach" is defined as the occurrence of one or more of the following Defaults, and the failure of Lessee to cure such Default within any applicable grace period:

(a) The abandonment of the Premises; or the vacating of the Premises without providing a commercially reasonable level of security, or where the coverage of the property insurance described in Paragraph 8.3 is jeopardized as a result thereof, or without providing reasonable assurances to minimize potential vandalism.

(b) The failure of Lessee to make any payment of Rent or any Security Deposit required to be made by Lessee hereunder, whether to Lessor or to a third party, when due, to provide reasonable evidence of insurance or surety bond, or to fulfill any obligation under this Lease which endangers or threatens life or property, where such failure continues for a period of 35 business days following written notice to Lessee. THE ACCEPTANCE BY LESSOR OF A PARTIAL PAYMENT OF RENT OR SECURITY DEPOSIT SHALL NOT CONSTITUTE A WAIVER OF ANY OF LESSOR'S RIGHTS, INCLUDING LESSOR'S RIGHT TO RECOVER POSSESSION OF THE PREMISES.

(c) The failure of Lessee to allow Lessor and/or its agents access to the Premises or the commission of waste, act or acts constituting public or private nuisance, and/or an illegal activity on the Premises by Lessee, where such actions continue for a period of 3 business days following written notice to Lessee.

(d) The failure by Lessee to provide (i) reasonable written evidence of compliance with Applicable Requirements, (ii) ~~the service contracts~~, (iii) the rescission of an unauthorized assignment or subletting, (iv) an Estoppel Certificate ~~or financial statements~~, (v) a requested subordination, (vi) ~~evidence concerning any guaranty and/or Guarantor~~, (vii) any document requested under Paragraph 41, (viii) material data safety sheets (MSDS), or (ix) any other documentation or information which Lessor may reasonably require of Lessee under the terms of this Lease, where any such failure continues for a period of 20-40 days following written notice to Lessee.

(e) A Default by Lessee as to the terms, covenants, conditions or provisions of this Lease, or of the rules adopted under Paragraph 2.9 hereof, other than those described in subparagraphs 13.1(a), (b) or (c), above, where such Default continues for a period of 30 days after written notice; provided, however, that if the nature of Lessee's Default is such that more than 30 days are reasonably required for its cure, then it shall not be deemed to be a Breach if Lessee commences such cure within said 30 day period and thereafter diligently prosecutes such cure to completion.

(f) The occurrence of any of the following events: (i) the making of any general arrangement or assignment for the benefit of creditors; (ii) becoming a "debtor" as defined in 11 U.S.C. § 101 or any successor statute thereto (unless, in the case of a petition filed against Lessee, the same is dismissed within 60 days); (iii) the appointment of a trustee or receiver to take possession of substantially all of Lessee's assets located at the Premises or of Lessee's interest in this Lease, where possession is not restored to Lessee within 30 days; or (iv) the attachment, execution or other judicial seizure of substantially all of Lessee's assets located at the Premises or of Lessee's interest in this Lease, where such seizure is not discharged within 30 days; provided, however, in the event that any provision of this subparagraph is contrary to any applicable law, such provision shall be of no force or effect, and not affect the validity of the remaining provisions.

(g) The discovery that any financial statement of Lessee or of any Guarantor given to Lessor was materially false.

(h) If the performance of Lessee's obligations under this Lease is guaranteed: (i) the death of a Guarantor, (ii) the termination of a Guarantor's liability with respect to this Lease other than in accordance with the terms of such guaranty, (iii) a Guarantor's becoming insolvent or the subject of a bankruptcy filing, (iv) a Guarantor's refusal to honor the guaranty, or (v) a Guarantor's breach of its guaranty obligation on an anticipatory basis, and Lessee's failure, within 60 days following written notice of any such event, to provide written alternative assurance or security, which, when coupled with the then existing resources of Lessee, equals or exceeds the combined financial resources of Lessee and the Guarantors that existed at the time of execution of this Lease.

13.2 **Remedies.** If Lessee fails to perform any of its affirmative duties or obligations, within 20-40 days after written notice (or in case of an emergency, without notice), Lessor may, at its option, perform such duty or obligation on Lessee's behalf, including but not limited to the obtaining of reasonably required bonds, insurance policies, or governmental licenses, permits or approvals. Lessee shall pay to Lessor an amount equal to 115% of the costs and expenses incurred by Lessor in such performance upon receipt of an invoice therefor. In the event of a Breach, Lessor may, with or without further notice or demand, and without limiting Lessor in the exercise of any right or remedy which Lessor may have by reason of such Breach:

(a) Terminate Lessee's right to possession of the Premises by any lawful means, in which case this Lease shall terminate and Lessee shall immediately surrender possession to Lessor. In such event Lessor shall be entitled to recover from Lessee: (i) the unpaid Rent which had been earned at the time of termination; (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 the Lessee proves could have been reasonably avoided; (iii) the worth at the time of award of the amount by which the unpaid rent for the balance of the term after the time of award exceeds the amount of such rental loss that the Lessee proves could be reasonably avoided; and (iv) any other amount necessary to compensate Lessor for all the detriment proximately caused by the Lessee's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom, including but

not limited to the cost of recovering possession of the Premises, expenses of reletting, including necessary renovation and alteration of the Premises, reasonable attorneys' fees, and that portion of a leasing commission paid by Lessor in connection with this Lease applicable to the unexpired term of this Lease. The worth at the time of award of the amount referred to in provision (iii) of the immediately preceding sentence shall be computed by discounting such amount at the discount rate of the Federal Reserve Bank of the District within which the Premises are located at the time of award plus one percent. Efforts by Lessor to mitigate damages caused by Lessee's Breach of this Lease shall not waive Lessor's right to recover damages under Paragraph 12. If termination of this Lease is obtained through the provisional remedy of unlawful detainer, Lessor shall have the right to recover in such proceeding any unpaid Rent and damages as are recoverable therein, or Lessor may reserve the right to recover all or any part thereof in a separate suit. If a notice and grace period required under Paragraph 13.1 was not previously given, a notice to pay rent or quit, or to perform or quit given to Lessee under the unlawful detainer statute shall also constitute the notice required by Paragraph 13.1. In such case, the applicable grace period required by Paragraph 13.1 and the unlawful detainer statute shall run concurrently, and the failure of Lessee to cure the Default within the greater of the two such grace periods shall constitute both an unlawful detainer and a Breach of this Lease entitling Lessor to the remedies provided for in this Lease and/or by said statute.

(b) Continue the Lease and Lessee's right to possession and recover the Rent as it becomes due, in which event Lessee may sublet or assign, subject only to reasonable limitations. Acts of maintenance, efforts to relet, and/or the appointment of a receiver to protect the Lessor's interests, shall not constitute a termination of the Lessee's right to possession.

(c) Pursue any other remedy now or hereafter available under the laws or judicial decisions of the state wherein the Premises are located. The expiration or termination of this Lease and/or the termination of Lessee's right to possession shall not relieve Lessee from liability under any indemnity provisions of this Lease as to matters occurring or accruing during the term hereof or by reason of Lessee's occupancy of the Premises.

13.3 Inducement Recapture. Any agreement for free or abated rent or other charges, or for the giving or paying by Lessor to or for Lessee of any cash or other bonus, inducement or consideration for Lessee's entering into this Lease, all of which concessions are hereinafter referred to as "**Inducement Provisions**", shall be deemed conditioned upon Lessee's full and faithful performance of all of the terms, covenants and conditions of this Lease. Upon Breach of this Lease by Lessee, any such Inducement Provision shall automatically be deemed deleted from this Lease and of no further force or effect, and any rent, other charge, bonus, inducement or consideration theretofore abated, given or paid by Lessor under such an Inducement Provision shall be immediately due and payable by Lessee to Lessor, notwithstanding any subsequent cure of said Breach by Lessee. The acceptance by Lessor of rent or the cure of the Breach which initiated the operation of this paragraph shall not be deemed a waiver by Lessor of the provisions of this paragraph unless specifically so stated in writing by Lessor at the time of such acceptance.

13.4 Late Charges. Lessee hereby acknowledges that late payment by Lessee of Rent will cause Lessor to incur costs not contemplated by this Lease, the exact amount of which will be extremely difficult to ascertain. Such costs include, but are not limited to, processing and accounting charges, and late charges which may be imposed upon Lessor by any Lender. Accordingly, if any Rent shall not be received by Lessor within 5 days after such amount shall be due, then, without any requirement for notice to Lessee, Lessee shall immediately pay to Lessor a one-time late charge equal to 7% 40% of each such overdue amount or \$100, whichever is greater. The parties hereby agree that such late charge represents a fair and reasonable estimate of the costs Lessor will incur by reason of such late payment. Acceptance of such late charge by Lessor shall in no event constitute a waiver of Lessee's Default or Breach with respect to such overdue amount, nor prevent the exercise of any of the other rights and remedies granted hereunder. In the event that a late charge is payable hereunder, whether or not collected, for 3 consecutive installments of Base Rent, then notwithstanding any provision of this Lease to the contrary, Base Rent shall, at Lessor's option, become due and payable quarterly in advance.

13.5 Interest. Any monetary payment due Lessor hereunder, other than late charges, not received by Lessor, when due as to scheduled payments (such as Base Rent) or within 30 days following the date on which it was due for nonscheduled payment, shall bear interest from the date when due, as to scheduled payments, or the 31st day after it was due as to nonscheduled payments. The interest ("**Interest**") charged shall be computed at the rate of 10% per annum but shall not exceed the maximum rate allowed by law. Interest is payable in addition to the potential late charge provided for in Paragraph 13.4.

13.6 Breach by Lessor.

(a) **Notice of Breach.** Lessor shall not be deemed in breach of this Lease unless Lessor fails within a reasonable time to perform an obligation required to be performed by Lessor. For purposes of this Paragraph, a reasonable time shall in no event be less than 30 days after receipt by Lessor, and any Lender whose name and address shall have been furnished Lessee in writing for such purpose, of written notice specifying wherein such obligation of Lessor has not been performed; provided, however, that if the nature of Lessor's obligation is such that more than 30 days are reasonably required for its performance, then Lessor shall not be in breach if performance is commenced within such 30 day period and thereafter diligently pursued to completion.

(b) **Performance by Lessee on Behalf of Lessor.** In the event that neither Lessor nor Lender cures said breach within 30 days after receipt of said notice, or if having commenced said cure they do not diligently pursue it to completion, then Lessee may elect to cure said breach at Lessee's expense and offset from Rent the actual and reasonable cost to perform such cure, provided however, that such offset shall not exceed an amount equal to the greater of one month's Base Rent or the Security Deposit, reserving Lessee's right to seek reimbursement from Lessor for any such expense in excess of such offset. Lessee shall document the cost of said cure and supply said documentation to Lessor.

14. Condemnation. If the Premises or any portion thereof are taken under the power of eminent domain or sold under the threat of the exercise of said power (collectively "**Condemnation**"), this Lease shall terminate as to the part taken as of the date the condemning authority takes title or possession, whichever first occurs. If more than 10% of the rentable floor area of the Premises, or more than 25% of Lessee's Reserved Parking Spaces, if any, are taken by Condemnation, Lessee may, at Lessee's option, to be exercised in writing within 10 days after Lessor shall have given Lessee written notice of such taking (or in the absence of such notice, within 10 days after the condemning authority shall have taken possession) terminate this Lease as of the date the condemning authority takes such possession. If Lessee does not terminate this Lease in accordance with the foregoing, this Lease shall remain in full force and effect as to the portion of the Premises remaining, except that the Base Rent shall be reduced in proportion to the reduction in utility of the Premises caused by such Condemnation. Condemnation awards and/or payments shall be the property of Lessor, whether such award shall be made as compensation for diminution in value of the leasehold, the value of the part taken, or for severance damages; provided, however, that Lessee shall be entitled to any compensation paid by the condemnor for Lessee's relocation expenses, loss of business goodwill and/or Trade Fixtures, without regard to whether or not this Lease is terminated pursuant to the provisions of this Paragraph. All Alterations and Utility Installations made to the Premises by Lessee, for purposes of Condemnation only, shall be considered the property of the Lessee and Lessee shall be entitled to any and all compensation which is payable therefor. In the event that this Lease is not terminated by reason of the Condemnation, Lessor shall repair any damage to the Premises caused by such Condemnation.

15. Brokerage Fees.

15.1 Additional Commission. If a separate brokerage fee agreement is attached then in addition to the payments owed pursuant to Paragraph 1.10 above, and unless Lessor and the Brokers otherwise agree in writing, Lessor agrees that: (a) if Lessee exercises any Option, (b) if Lessee or anyone affiliated with Lessee acquires from Lessor any rights to the Premises or other premises owned by Lessor and located within the Project, (c) if Lessee remains in possession of the Premises, with the consent of Lessor, after the expiration of this Lease, or (d) if Base Rent is

increased, whether by agreement or operation of an escalation clause herein, then, Lessor shall pay Brokers a fee in accordance with the schedule attached to such brokerage fee agreement.

15.2 **Assumption of Obligations.** Any buyer or transferee of Lessor's interest in this Lease shall be deemed to have assumed Lessor's obligation hereunder. Brokers shall be third party beneficiaries of the provisions of Paragraphs 1.10, 15, 22 and 31. If Lessor fails to pay to Brokers any amounts due as and for brokerage fees pertaining to this Lease when due, then such amounts shall accrue interest. ~~In addition, if Lessor fails to pay any amounts to Lessee's Broker when due, Lessee's Broker may send written notice to Lessor and Lessee of such failure and if Lessor fails to pay such amounts within 10 days after said notice, Lessee shall pay said monies to its Broker and offset such amounts against Rent.~~ In addition, Lessee's Broker shall be deemed to be a third party beneficiary of any commission agreement entered into by and/or between Lessor and Lessor's Broker for the limited purpose of collecting any brokerage fee owed.

15.3 **Representations and Indemnities of Broker Relationships.** Lessee and Lessor each represent and warrant to the other that it has had no dealings with any person, firm, broker or finder (other than the Brokers, if any) in connection with this Lease, and that no one other than said named Brokers is entitled to any commission or finder's fee in connection herewith. Lessee and Lessor do each hereby agree to indemnify, protect, defend and hold the other harmless from and against liability for compensation or charges which may be claimed by any such unnamed broker, finder or other similar party by reason of any dealings or actions of the indemnifying Party, including any costs, expenses, attorneys' fees reasonably incurred with respect thereto.

16. **Estoppel Certificates.**

(a) Each Party (as "**Responding Party**") shall within 10 days after written notice from the other Party (the "**Requesting Party**") execute, acknowledge and deliver to the Requesting Party a statement in writing in form similar to the then most current "**Estoppel Certificate**" form published by the AIRCommercial Real Estate Association, plus such additional information, confirmation and/or statements as may be reasonably requested by the Requesting Party.

(b) If the Responding Party shall fail to execute or deliver the Estoppel Certificate within such 10 day period, the Requesting Party may execute an Estoppel Certificate stating that: (i) the Lease is in full force and effect without modification except as may be represented by the Requesting Party, (ii) there are no uncured defaults in the Requesting Party's performance, and (iii) if Lessor is the Requesting Party, not more than one month's rent has been paid in advance. Prospective purchasers and encumbrancers may rely upon the Requesting Party's Estoppel Certificate, and the Responding Party shall be estopped from denying the truth of the facts contained in said Certificate.

(c) If Lessor desires to finance, refinance, or sell the Premises, or any part thereof, Lessee and all Guarantors shall within 10 days after written notice from Lessor deliver to any potential lender or purchaser designated by Lessor such financial statements as may be reasonably required by such lender or purchaser, including but not limited to Lessee's financial statements for the past 3 years. All such financial statements shall be received by Lessor and such lender or purchaser in confidence and shall be used only for the purposes herein set forth.

17. **Definition of Lessor.** The term "**Lessor**" as used herein shall mean the owner or owners at the time in question of the fee title to the Premises, or, if this is a sublease, of the Lessee's interest in the prior lease. In the event of a transfer of Lessor's title or interest in the Premises or this Lease, Lessor shall deliver to the transferee or assignee (in cash or by credit) any unused Security Deposit held by Lessor. Upon such transfer or assignment and delivery of the Security Deposit, as aforesaid, the prior Lessor shall be relieved of all liability with respect to the obligations and/or covenants under this Lease thereafter to be performed by the Lessor. Subject to the foregoing, the obligations and/or covenants in this Lease to be performed by the Lessor shall be binding only upon the Lessor as hereinabove defined.

18. **Severability.** The invalidity of any provision of this Lease, as determined by a court of competent jurisdiction, shall in no way affect the validity of any other provision hereof.

19. **Days.** Unless otherwise specifically indicated to the contrary, the word "**days**" as used in this Lease shall mean and refer to calendar days.

20. **Limitation on Liability.** The obligations of Lessor under this Lease shall not constitute personal obligations of Lessor or its partners, members, directors, officers or shareholders, and Lessee shall look to the Project, and to no other assets of Lessor, for the satisfaction of any liability of Lessor with respect to this Lease, and shall not seek recourse against Lessor's partners, members, directors, officers or shareholders, or any of their personal assets for such satisfaction.

21. **Time of Essence.** Time is of the essence with respect to the performance of all obligations to be performed or observed by the Parties under this Lease.

22. **No Prior or Other Agreements; Broker Disclaimer.** This Lease contains all agreements between the Parties with respect to any matter mentioned herein, and no other prior or contemporaneous agreement or understanding shall be effective. Lessor and Lessee each represents and warrants to the Brokers that it has made, and is relying solely upon, its own investigation as to the nature, quality, character and financial responsibility of the other Party to this Lease and as to the use, nature, quality and character of the Premises. Brokers have no responsibility with respect thereto or with respect to any default or breach hereof by either Party.

23. **Notices.**

23.1 **Notice Requirements.** All notices required or permitted by this Lease or applicable law shall be in writing and may be delivered in person (by hand or by courier) or may be sent by regular, certified or registered mail or U.S. Postal Service Express Mail, with postage prepaid, or by facsimile transmission, and shall be deemed sufficiently given if served in a manner specified in this Paragraph 23. The addresses noted adjacent to a Party's signature on this Lease shall be that Party's address for delivery or mailing of notices. Either Party may by written notice to the other specify a different address for notice, except that upon Lessee's taking possession of the Premises, the Premises shall constitute Lessee's address for notice. A copy of all notices to Lessor shall be concurrently transmitted to such party or parties at such addresses as Lessor may from time to time hereafter designate in writing.

23.2 **Date of Notice.** Any notice sent by registered or certified mail, return receipt requested, shall be deemed given on the date of delivery shown on the receipt card, or if no delivery date is shown, the postmark thereon. If sent by regular mail the notice shall be deemed given 72 hours after the same is addressed as required herein and mailed with postage prepaid. Notices delivered by United States Express Mail or overnight courier that guarantees next day delivery shall be deemed given 24 hours after delivery of the same to the Postal Service or courier. Notices transmitted by facsimile transmission or similar means shall be deemed delivered upon telephone confirmation of receipt (confirmation report from fax machine is sufficient), provided a copy is also delivered via delivery or mail. If notice is received on a Saturday, Sunday or legal holiday, it shall be deemed received on the next business day.

24. **Waivers.**

(a) No waiver by Lessor of the Default or Breach of any term, covenant or condition hereof by Lessee, shall be deemed a waiver of any other term, covenant or condition hereof, or of any subsequent Default or Breach by Lessee of the same or of any other term, covenant or condition hereof. Lessor's consent to, or approval of, any act shall not be deemed to render unnecessary the obtaining of Lessor's consent to, or approval of, any subsequent or similar act by Lessee, or be construed as the basis of an estoppel to enforce the provision or provisions of this Lease requiring such consent.

(b) The acceptance of Rent by Lessor shall not be a waiver of any Default or Breach by Lessee. Any payment by Lessee

may be accepted by Lessor on account of moneys or damages due Lessor, notwithstanding any qualifying statements or conditions made by Lessee in connection therewith, which such statements or conditions shall be of no force or effect whatsoever unless specifically agreed to in writing by Lessor at or before the time of deposit of such payment.

(c) THE PARTIES AGREE THAT THE TERMS OF THIS LEASE SHALL GOVERN WITH REGARD TO ALL MATTERS RELATED THERETO AND HEREBY WAIVE THE PROVISIONS OF ANY PRESENT OR FUTURE STATUTE TO THE EXTENT THAT SUCH STATUTE IS INCONSISTENT WITH THIS LEASE.

25. **Disclosures Regarding The Nature of a Real Estate Agency Relationship.**

(a) When entering into a discussion with a real estate agent regarding a real estate transaction, a Lessor or Lessee should from the outset understand what type of agency relationship or representation it has with the agent or agents in the transaction. Lessor and Lessee acknowledge being advised by the Brokers in this transaction, as follows:

(i) **Lessor's Agent.** A Lessor's agent under a listing agreement with the Lessor acts as the agent for the Lessor only. A Lessor's agent or subagent has the following affirmative obligations: To the Lessor: A fiduciary duty of utmost care, integrity, honesty, and loyalty in dealings with the Lessor. To the Lessee and the Lessor: a. Diligent exercise of reasonable skills and care in performance of the agent's duties. b. A duty of honest and fair dealing and good faith. c. A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the Parties. An agent is not obligated to reveal to either Party any confidential information obtained from the other Party which does not involve the affirmative duties set forth above.

(ii) **Lessee's Agent.** An agent can agree to act as agent for the Lessee only. In these situations, the agent is not the Lessor's agent, even if by agreement the agent may receive compensation for services rendered, either in full or in part from the Lessor. An agent acting only for a Lessee has the following affirmative obligations. To the Lessee: A fiduciary duty of utmost care, integrity, honesty, and loyalty in dealings with the Lessee. To the Lessee and the Lessor: a. Diligent exercise of reasonable skills and care in performance of the agent's duties. b. A duty of honest and fair dealing and good faith. c. A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the Parties. An agent is not obligated to reveal to either Party any confidential information obtained from the other Party which does not involve the affirmative duties set forth above.

(iii) **Agent Representing Both Lessor and Lessee.** A real estate agent, either acting directly or through one or more associate licenses, can legally be the agent of both the Lessor and the Lessee in a transaction, but only with the knowledge and consent of both the Lessor and the Lessee. In a dual agency situation, the agent has the following affirmative obligations to both the Lessor and the Lessee: a. A fiduciary duty of utmost care, integrity, honesty and loyalty in the dealings with either Lessor or the Lessee. b. Other duties to the Lessor and the Lessee as stated above in subparagraphs (i) or (ii). In representing both Lessor and Lessee, the agent may not without the express permission of the respective Party, disclose to the other Party that the Lessor will accept rent in an amount less than that indicated in the listing or that the Lessee is willing to pay a higher rent than that offered. The above duties of the agent in a real estate transaction do not relieve a Lessor or Lessee from the responsibility to protect their own interests. Lessor and Lessee should carefully read all agreements to assure that they adequately express their understanding of the transaction. A real estate agent is a person qualified to advise about real estate. If legal or tax advice is desired, consult a competent professional.

(b) Brokers have no responsibility with respect to any default or breach hereof by either Party. The Parties agree that no lawsuit or other legal proceeding involving any breach of duty, error or omission relating to this Lease may be brought against Broker more than one year after the Start Date and that the liability (including court costs and attorneys' fees), of any Broker with respect to any such lawsuit and/or legal proceeding shall not exceed the fee received by such Broker pursuant to this Lease; provided, however, that the foregoing limitation on each Broker's liability shall not be applicable to any gross negligence or willful misconduct of such Broker.

(c) Lessor and Lessee agree to identify to Brokers as "Confidential" any communication or information given Brokers that is considered by such Party to be confidential.

26. **No Right To Holdover.** Lessee has no right to retain possession of the Premises or any part thereof beyond the expiration or termination of this Lease. In the event that Lessee holds over, then the Base Rent shall be increased to 150% of the Base Rent applicable immediately preceding the expiration or termination. Nothing contained herein shall be construed as consent by Lessor to any holding over by Lessee.

27. **Cumulative Remedies.** No remedy or election hereunder shall be deemed exclusive but shall, wherever possible, be cumulative with all other remedies at law or in equity.

28. **Covenants and Conditions; Construction of Agreement.** All provisions of this Lease to be observed or performed by Lessee are both covenants and conditions. In construing this Lease, all headings and titles are for the convenience of the Parties only and shall not be considered a part of this Lease. Whenever required by the context, the singular shall include the plural and vice versa. This Lease shall not be construed as if prepared by one of the Parties, but rather according to its fair meaning as a whole, as if both Parties had prepared it.

29. **Binding Effect; Choice of Law.** This Lease shall be binding upon the Parties, their personal representatives, successors and assigns and be governed by the laws of the State in which the Premises are located. Any litigation between the Parties hereto concerning this Lease shall be initiated in the county in which the Premises are located.

30. **Subordination; Attornment; Non-Disturbance.**

30.1 **Subordination.** This Lease and any Option granted hereby shall be subject and subordinate to any ground lease, mortgage, deed of trust, or other hypothecation or security device (collectively, "**Security Device**"), now or hereafter placed upon the Premises, to any and all advances made on the security thereof, and to all renewals, modifications, and extensions thereof. Lessee agrees that the holders of any such Security Devices (in this Lease together referred to as "**Lender**") shall have no liability or obligation to perform any of the obligations of Lessor under this Lease. Any Lender may elect to have this Lease and/or any Option granted hereby superior to the lien of its Security Device by giving written notice thereof to Lessee, whereupon this Lease and such Options shall be deemed prior to such Security Device, notwithstanding the relative dates of the documentation or recordation thereof.

30.2 **Attornment.** In the event that Lessor transfers title to the Premises, or the Premises are acquired by another upon the foreclosure or termination of a Security Device to which this Lease is subordinated (i) Lessee shall, subject to the non-disturbance provisions of Paragraph 30.3, attorn to such new owner, and upon request, enter into a new lease, containing all of the terms and provisions of this Lease, with such new owner for the remainder of the term hereof, or, at the election of the new owner, this Lease will automatically become a new lease between Lessee and such new owner, and (ii) Lessor shall thereafter be relieved of any further obligations hereunder and such new owner shall assume all of Lessor's obligations, except that such new owner shall not: (a) be liable for any act or omission of any prior lessor or with respect to events occurring prior to acquisition of ownership; (b) be subject to any offsets or defenses which Lessee might have against any prior lessor, (c) be bound by prepayment of more than one month's rent, or (d) be liable for the return of any security deposit paid to any prior lessor which was not paid or credited to such new owner.

30.3 **Non-Disturbance.** With respect to Security Devices entered into by Lessor after the execution of this Lease, Lessee's subordination of this Lease shall be subject to receiving a commercially reasonable non-disturbance agreement (a "**Non-Disturbance Agreement**") from the Lender which Non-Disturbance Agreement provides that Lessee's possession of the Premises, and this Lease, including any options to extend the term hereof, will not be disturbed so long as Lessee is not in Breach hereof and attorns to the record owner of the Premises. Further, within 60 days

after the execution of this Lease, Lessor shall, if requested by Lessee, use its commercially reasonable efforts to obtain a Non-Disturbance Agreement from the holder of any pre-existing Security Device which is secured by the Premises. In the event that Lessor is unable to provide the Non-Disturbance Agreement within said 60 days, then Lessee may, at Lessee's option, directly contact Lender and attempt to negotiate for the execution and delivery of a Non-Disturbance Agreement.

30.4 Self-Executing. The agreements contained in this Paragraph 30 shall be effective without the execution of any further documents; provided, however, that, upon written request from Lessor or a Lender in connection with a sale, financing or refinancing of the Premises, Lessee and Lessor shall execute such further writings as may be reasonably required to separately document any subordination, attornment and/or Non-Disturbance Agreement provided for herein.

31. Attorneys' Fees. If any Party or Broker brings an action or proceeding involving the Premises whether founded in tort, contract or equity, or to declare rights hereunder, the Prevailing Party (as hereafter defined) in any such proceeding, action, or appeal thereon, shall be entitled to reasonable attorneys' fees. Such fees may be awarded in the same suit or recovered in a separate suit, whether or not such action or proceeding is pursued to decision or judgment. The term, "**Prevailing Party**" shall include, without limitation, a Party or Broker who substantially obtains or defeats the relief sought, as the case may be, whether by compromise, settlement, judgment, or the abandonment by the other Party or Broker of its claim or defense. The attorneys' fees award shall not be computed in accordance with any court fee schedule, but shall be such as to fully reimburse all attorneys' fees reasonably incurred. In addition, Lessor shall be entitled to attorneys' fees, costs and expenses incurred in the preparation and service of notices of Default and consultations in connection therewith, whether or not a legal action is subsequently commenced in connection with such Default or resulting Breach (\$200 is a reasonable minimum per occurrence for such services and consultation).

32. Lessor's Access; Showing Premises; Repairs. Lessor and Lessor's agents shall have the right to enter the Premises at any time, in the case of an emergency, and otherwise at reasonable times after reasonable prior notice for the purpose of showing the same to prospective purchasers, lenders, or tenants, and making such alterations, repairs, improvements or additions to the Premises as Lessor may deem necessary or desirable and the erecting, using and maintaining of utilities, services, pipes and conduits through the Premises and/or other premises as long as there is no material adverse effect on Lessee's use of the Premises. All such activities shall be without abatement of rent or liability to Lessee.

33. Auctions. Lessee shall not conduct, nor permit to be conducted, any auction upon the Premises without Lessor's prior written consent. Lessor shall not be obligated to exercise any standard of reasonableness in determining whether to permit an auction.

34. Signs. Lessor may place on the Premises ordinary "For Sale" signs at any time and ordinary "For Lease" signs during the last 6 months of the term hereof. Lessor may not place any sign on the exterior of the Building that covers any of the windows of the Premises. Except for ordinary "For Sublease" signs which may be placed only on the Premises, Lessee shall not place any sign upon the Project without Lessor's prior written consent. All signs must comply with all Applicable Requirements.

35. Termination; Merger. Unless specifically stated otherwise in writing by Lessor, the voluntary or other surrender of this Lease by Lessee, the mutual termination or cancellation hereof, or a termination hereof by Lessor for Breach by Lessee, shall automatically terminate any sublease or lesser estate in the Premises; provided, however, that Lessor may elect to continue any one or all existing subtenancies. Lessor's failure within 10 days following any such event to elect to the contrary by written notice to the holder of any such lesser interest, shall constitute Lessor's election to have such event constitute the termination of such interest.

36. Consents. Except as otherwise provided herein, wherever in this Lease the consent of a Party is required to an act by or for the other Party, such consent shall not be unreasonably withheld or delayed. ~~Lessor's actual reasonable costs and expenses (including but not limited to architects', attorneys', engineers' and other consultants' fees) incurred in the consideration of, or response to, a request by Lessee for any Lessor consent, including but not limited to consents to an assignment, a subletting or the presence or use of a Hazardous Substance, shall be paid by Lessee upon receipt of an invoice and supporting documentation therefor.~~ Lessor's consent to any act, assignment or subletting shall not constitute an acknowledgment that no Default or Breach by Lessee of this Lease exists, nor shall such consent be deemed a waiver of any then existing Default or Breach, except as may be otherwise specifically stated in writing by Lessor at the time of such consent. The failure to specify herein any particular condition to Lessor's consent shall not preclude the imposition by Lessor at the time of consent of such further or other conditions as are then reasonable with reference to the particular matter for which consent is being given. In the event that either Party disagrees with any determination made by the other hereunder and reasonably requests the reasons for such determination, the determining party shall furnish its reasons in writing and in reasonable detail within 10 business days following such request.

37. Guarantor.

37.1 Execution. ~~The Guarantors, if any, shall each execute a guaranty in the form most recently published by the AIR Commercial Real Estate Association.~~

37.2 Default. ~~It shall constitute a Default of the Lessee if any Guarantor fails or refuses, upon request to provide: (a) evidence of the execution of the guaranty, including the authority of the party signing on Guarantor's behalf to obligate Guarantor, and in the case of a corporate Guarantor, a certified copy of a resolution of its board of directors authorizing the making of such guaranty, (b) current financial statements, (c) an estoppel Certificate, or (d) written confirmation that the guaranty is still in effect.~~

38. Quiet Possession. Subject to payment by Lessee of the Rent and performance of all of the covenants, conditions and provisions on Lessee's part to be observed and performed under this Lease, Lessee shall have quiet possession and quiet enjoyment of the Premises during the term hereof.

39. Options. If Lessee is granted an Option, as defined below, then the following provisions shall apply.

39.1 Definition. "**Option**" shall mean: (a) the right to extend or reduce the term of or renew this Lease or to extend or reduce the term of or renew any lease that Lessee has on other property of Lessor; (b) the right of first refusal or first offer to lease either the Premises or other property of Lessor; (c) the right to purchase, the right of first offer to purchase or the right of first refusal to purchase the Premises or other property of Lessor.

39.2 Options Personal To Original Lessee and Permitted Transferees. Any Option granted to Lessee in this Lease is personal to the original Lessee and/or a Permitted Transferee, and cannot be assigned or exercised by anyone other than said original Lessee and/or a Permitted Transferee and only while the original Lessee or Permitted Transferee is in full possession of the Premises and, if requested by Lessor, with Lessee or the Permitted Transferee certifying that it Lessee has no intention of thereafter assigning or subletting.

39.3 Multiple Options. In the event that Lessee has any multiple Options to extend or renew this Lease, a later Option cannot be exercised unless the prior Options have been validly exercised.

39.4 Effect of Default on Options.

(a) Lessee shall have no right to exercise an Option: (i) during the period commencing with the giving of any notice of Default and continuing until said Default is cured, (ii) during the period of time any Rent is unpaid (without regard to whether notice thereof is given Lessee), (iii) during the time Lessee is in Breach of this Lease, or (iv) in the event that Lessee has been given 3 or more notices of separate Default, whether or not the Defaults are cured, during the 12 month period immediately preceding the exercise of the Option.

(b) The period of time within which an Option may be exercised shall not be extended or enlarged by reason of Lessee's inability to

exercise an Option because of the provisions of Paragraph 39.4(a).

(c) An Option shall terminate and be of no further force or effect, notwithstanding Lessee's due and timely exercise of the Option, if, after such exercise and prior to the commencement of the extended term or completion of the purchase, (i) Lessee fails to pay Rent for a period of 30 days after such Rent becomes due (without any necessity of Lessor to give notice thereof), or (ii) if Lessee commits a Breach of this Lease.

40. **Security Measures.** Lessee hereby acknowledges that the Rent payable to Lessor hereunder does not include the cost of guard service or other security measures, and that Lessor shall have no obligation whatsoever to provide same. Lessee assumes all responsibility for the protection of the Premises, Lessee, its agents and invitees and their property from the acts of third parties. In the event, however, that Lessor should elect to provide security services, then the cost thereof shall be an Operating Expense.

41. **Reservations.**

(a) Lessor reserves the right: (i) to grant, without the consent or joinder of Lessee, such easements, rights and dedications that Lessor deems necessary, (ii) to cause the recordation of parcel maps and restrictions, (iii) to create and/or install new utility raceways, so long as such easements, rights, dedications, maps, restrictions, and utility raceways do not unreasonably interfere with the use of the Premises by Lessee. Lessor may also: change the name, address or title of the Building or Project upon at least 90 days prior written notice; provide and install, at Lessee's expense, Building standard graphics on the door of the Premises and such portions of the Common Areas as Lessor shall reasonably deem appropriate; grant to any lessee the exclusive right to conduct any business as long as such exclusive right does not conflict with any rights expressly given herein; and to place such signs, notices or displays as Lessor reasonably deems necessary or advisable upon the roof, exterior of the Building or the Project or on signs in the Common Areas. Lessee agrees to sign any documents reasonably requested by Lessor to effectuate such rights. The obstruction of Lessee's view, air, or light by any structure erected in the vicinity of the Building, whether by Lessor or third parties, shall in no way affect this Lease or impose any liability upon Lessor.

(b) Lessor also reserves the right to move Lessee to other space of comparable size in the Building or Project. Lessor must provide at least 45 days prior written notice of such move, and the new space must contain improvements of comparable quality to those contained within the Premises. Lessor shall pay the reasonable out-of-pocket costs that Lessee incurs with regard to such relocation, including the expenses of moving and necessary stationary revision costs. In no event, however, shall Lessor be required to pay an amount in excess of two months Base Rent. Lessee may not be relocated more than once during the term of this Lease.

(c) Lessee shall not: (i) use a representation (photographic or otherwise) of the Building or Project or their name(s) in connection with Lessee's business; or (ii) suffer or permit anyone, except in emergency, to go upon the roof of the Building.

42. **Performance Under Protest.** If at any time a dispute shall arise as to any amount or sum of money to be paid by one Party to the other under the provisions hereof, the Party against whom the obligation to pay the money is asserted shall have the right to make payment "under protest" and such payment shall not be regarded as a voluntary payment and there shall survive the right on the part of said Party to institute suit for recovery of such sum. If it shall be adjudged that there was no legal obligation on the part of said Party to pay such sum or any part thereof, said Party shall be entitled to recover such sum or so much thereof as it was not legally required to pay. A Party who does not initiate suit for the recovery of sums paid "under protest" within 6 months shall be deemed to have waived its right to protest such payment.

43. **Authority; Multiple Parties; Execution**

(a) If either Party hereto is a corporation, trust, limited liability company, partnership, or similar entity, each individual executing this Lease on behalf of such entity represents and warrants that he or she is duly authorized to execute and deliver this Lease on its behalf. Each Party shall, within 30 days after request, deliver to the other Party satisfactory evidence of such authority.

(b) If this Lease is executed by more than one person or entity as "Lessee", each such person or entity shall be jointly and severally liable hereunder. It is agreed that any one of the named Lessees shall be empowered to execute any amendment to this Lease, or other document ancillary thereto and bind all of the named Lessees, and Lessor may rely on the same as if all of the named Lessees had executed such document.

(c) This Lease may be executed by the Parties in counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

44. **Conflict.** Any conflict between the printed provisions of this Lease and the typewritten or handwritten provisions shall be controlled by the typewritten or handwritten provisions.

45. **Offer.** Preparation of this Lease by either party or their agent and submission of same to the other Party shall not be deemed an offer to lease to the other Party. This Lease is not intended to be binding until executed and delivered by all Parties hereto.

46. **Amendments.** This Lease may be modified only in writing, signed by the Parties in interest at the time of the modification. As long as they do not materially change Lessee's obligations hereunder, Lessee agrees to make such reasonable nonmonetary modifications to this Lease as may be reasonably required by a Lender in connection with the obtaining of normal financing or refinancing of the Premises.

47. **Waiver of Jury Trial.** TO THE EXTENT PERMITTED BY LAW, THE PARTIES HEREBY WAIVE THEIR RESPECTIVE RIGHTS TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING INVOLVING THE PROPERTY OR ARISING OUT OF THIS AGREEMENT.

48. **Arbitration of Disputes.** An Addendum requiring the Arbitration of all disputes between the Parties and/or Brokers arising out of this Lease

☐ is ☒ is not attached to this Lease.

49. **Americans with Disabilities Act.** Since compliance with the Americans with Disabilities Act (ADA) is dependent upon Lessee's specific use of the Premises, Lessor makes no warranty or representation as to whether or not the Premises comply with ADA or any similar legislation. In the event that Lessee's use of the Premises requires modifications or additions to the Premises in order to be in ADA compliance, Lessee agrees to make any such necessary modifications and/or additions at Lessee's expense.

LESSOR AND LESSEE HAVE CAREFULLY READ AND REVIEWED THIS LEASE AND EACH TERM AND PROVISION CONTAINED HEREIN, AND BY THE EXECUTION OF THIS LEASE SHOW THEIR INFORMED AND VOLUNTARY CONSENT THERETO. THE PARTIES HEREBY AGREE THAT, AT THE TIME THIS LEASE IS EXECUTED, THE TERMS OF THIS LEASE ARE COMMERCIALY REASONABLE AND EFFECTUATE THE INTENT AND PURPOSE OF LESSOR AND LESSEE WITH RESPECT TO THE PREMISES.

ATTENTION: NO REPRESENTATION OR RECOMMENDATION IS MADE BY THE AIR COMMERCIAL REAL ESTATE ASSOCIATION OR BY ANY BROKER AS TO THE LEGAL SUFFICIENCY, LEGAL EFFECT, OR TAX CONSEQUENCES OF THIS LEASE OR THE TRANSACTION TO WHICH IT RELATES. THE PARTIES ARE URGED TO:

1. **SEEK ADVICE OF COUNSEL AS TO THE LEGAL AND TAX CONSEQUENCES OF THIS LEASE.**

2. **RETAIN APPROPRIATE CONSULTANTS TO REVIEW AND INVESTIGATE THE CONDITION OF THE PREMISES. SAID INVESTIGATION SHOULD INCLUDE BUT NOT BE LIMITED TO: THE POSSIBLE PRESENCE OF HAZARDOUS SUBSTANCES, THE ZONING AND SIZE OF THE PREMISES, THE STRUCTURAL INTEGRITY, THE CONDITION OF THE ROOF AND OPERATING SYSTEMS, COMPLIANCE WITH THE AMERICANS WITH DISABILITIES ACT AND THE SUITABILITY OF THE PREMISES FOR LESSEE'S INTENDED USE.**

WARNING: IF THE PREMISES ARE LOCATED IN A STATE OTHER THAN CALIFORNIA, CERTAIN PROVISIONS OF THE LEASE MAY NEED TO BE REVISED TO COMPLY WITH THE LAWS OF THE STATE IN WHICH THE PREMISES ARE LOCATED.

The parties hereto have executed this Lease at the place and on the dates specified above their respective signatures.

Executed at: _____ Executed at: _____
On: September , 2011 On: September , 2011

By LESSOR:

1238 Sutter Street, LLC
a California limited liability company

By: _____
Name Printed: Michael Ching
Title: Member

By: _____
Name Printed: _____
Title: _____
Address: _____

Telephone: () _____
Facsimile: () _____
Email: _____
Email: _____
Federal ID No. _____

LESSOR'S BROKER:

IC&M Commercial

Attn: Jay Cahan
Address: 1234 Mariposa Street
San Francisco, California 94107

Telephone: (415) 865-6102
Facsimile: () _____
Email: jcahan@hcmcommercial.com
Broker/Agent DRE License #: 010005130

By LESSEE:

San Francisco Child Abuse Prevention Center,
a California nonprofit corporation

By: _____
Name Printed: Katie Albright
Title: Executive Director

By: _____
Name Printed: Chris Keane
Title: Chair, Board of Directors
Address: _____

Telephone: () _____
Facsimile: () _____
Email: _____
Email: _____
Federal ID No. _____

LESSEE'S BROKER:

Kidder Matthews

Attn: Paul L. Picciani
Address: 100 Spear Street, Suite 2100
San Francisco, California 94105

Telephone: () _____
Facsimile: () _____
Email: _____
Broker/Agent DRE License #: _____

NOTICE: These forms are often modified to meet changing requirements of law and industry needs. Always write or call to make sure you are utilizing the most current form: AIR Commercial Real Estate Association, 800 W 6th Street, Suite 800, Los Angeles, CA 90017. Telephone No. (213) 687-8777. Fax No.: (213) 687-8616.

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AIR COMMERCIAL REAL ESTATE ASSOCIATION

OPTION TO PURCHASE

Standard Lease Addendum

Dated September 1, 2011

By and Between (Lessor) 1238 Sutter Street, LLC, a California limited liability company

(Lessee) San Francisco Child Abuse Prevention Center, a California non-profit corporation

Address of Premises: 3450 Third Street, Units 2A and 2B,
San Francisco, California (the "Premises")
 APN 5211-032 / 5211-033

Paragraph 50

(a) Lessor hereby grants to Lessee an option to purchase the Premises upon the terms and conditions herein set forth.

(b) In order to exercise this option to purchase, Lessee must give sixty (60) days advance written notice (the "Option Notice") of the exercise of the option to Lessor during the period from September 1, 2011 to the end of the Term, of the Lease, as it may be extended pursuant to Paragraph 53, below., (the "Option Period"), time being of the essence. If such notice is not so given, this option shall automatically expire. At the same time the option is exercised, Lessee must deliver to Lessor a cashier's check in the amount of \$100,000.00 payable to Escrow Holder, as and for the Deposit referred to in paragraph 4.1 of the Standard Offer, Agreement and Escrow Instructions for the Purchase of Real Estate. Lessor shall execute (including initialing Paragraph 33) and deliver to Lessee and Old Republic Title Company a copy of the Purchase Agreement (attached hereto as Exhibit A) within three (3) business days after receipt of Lessee's Option Notice; provided however, Lessor's failure to so execute and deliver shall not invalidate such exercise and Lessor shall nonetheless be bound by the terms and conditions set forth in the Purchase Agreement. Within three (3) business day of delivery of the Option Notice Lessee shall execute (including initialing Paragraphs 32 and 33) and deliver to Lessor and Old Republic Title a copy of the Purchase Agreement so executed; provided, however, Lessee's failure to so execute and deliver shall not invalidate its exercise of this Option to Purchase and Lessee shall nonetheless be bound by the terms and conditions set forth in the Purchase Agreement. The Purchase Agreement may be executed in two or more counterparts, all of which will constitute the same writing.

(c) The provisions of paragraph 39, including those relating to Lessee's Default set forth in paragraph 39.4 of this Lease are conditions of this Option.

(d) If Lessee elects to exercise this option to purchase as provided above, the transfer of title to Lessee shall occur on the close of escrow and until that time the terms of this Lease shall remain in full force and effect.

(e) If Lessee elects to exercise this option to purchase, the purchase price to be paid by Lessee shall be as provided in Paragraph 28 of the Purchase Agreement.

\$

(f) Within 10 days after this option purchase is exercised, Lessor and Lessee shall give instructions to consummate the sale to Old Republic Title Company, located at 265 Montgomery Street, San Francisco, CA 94104, who shall act as escrow holder, on the normal and usual escrow forms then used by such escrow holder, as follows:

(i) Escrow shall close as provided in Paragraph 29, of the Purchase Agreement ~~40 or~~ _____ days after the exercise of the option to purchase by Lessee;

(ii) Lessor shall deposit the check referred to in paragraph (b) into escrow upon opening thereof, with the balance of the purchase price to be deposited into escrow no later than 2:00 P.M. on the last business day prior to the expected closing date;

(iii) The parties agree to execute any additional instructions as are normal and usual;

(iv) The balance of the terms and conditions of sale shall be as set forth in the AIR Commercial Real Estate Association "STANDARD OFFER, AGREEMENT AND ESCROW INSTRUCTIONS FOR THE PURCHASE OF REAL ESTATE", a copy of which is attached hereto, except for the following: _____

and paragraphs 4.2; 5; 6; 9.1 a,b,c,d,e,h,j,k and l; and 20, which do not apply.

(g) ~~Either Lessor and or Lessee shall, upon request of the other, execute, acknowledge and deliver and record to the other a short form memorandum of this Lease for recording purposes. Lessee The Party requesting recordation shall be responsible for payment of any fees applicable thereto.~~

(h) In the event that this option to purchase is not exercised by Lessee in a timely fashion, the Lessee shall, upon request of Lessor, execute, acknowledge and deliver to Lessor a quit claim deed releasing Lessee's interest in such option. Lessor shall be responsible for the preparation of such deed and the payment of any fees applicable to the recording thereof.

WARNING:

LESSEE SHOULD NOT EXERCISE THIS OPTION UNTIL LESSEE HAS COMPLETED SUCH INVESTIGATION AS MAY BE APPROPRIATE, OBTAINED ANY NECESSARY FINANCING, AND IS OTHERWISE IN A POSITION TO COMPLETE SUCH PURCHASE.

NOTICE: These forms are often modified to meet changing requirements of law and industry needs. Always write or call to make sure you are utilizing the most current form: AIR Commercial Real Estate Association, 800 W 6th Street, Suite 800, Los Angeles, CA 90017. Telephone No. 213) 687-8777. Fax No.: (213) 687-8616.

ADDENDUM TO LEASE

By and between

1238 Sutter Street, LLC, a California limited liability company, as Lessor and
San Francisco Child Abuse Prevention Center, Inc, a California nonprofit corporation
as Lessee

Property Address: 3450 Third Street, Units 2A and 2B, San Francisco, California

This Addendum is incorporated into and made a part of that certain lease dated September 1, 2011, 2011 as described above. In the event of any conflict between the terms of the lease and the terms of this Addendum, the terms of this Addendum shall prevail.

51. Project / Premises.

- a. *The Project:* consists of Units 2A and 2B at 3450 Third Street, City and County of San Francisco, and further described as Block 5211, Lot 032 and Lot 033. Lot 032 (Unit 2A) is generally described as an approximately 11,198 rentable square foot, three (3) level commercial office condominium, with storage and parking on the ground level and office on the second and third levels. Lot 033 (Unit 2B) is described as an approximately 10,837 rentable square foot, three level office condominium, with storage and parking on the ground level and office on the second and third levels.
- b. *The Premises.* All of Unit 2A, and the second floor of Unit 2B, and fifty percent of the space on the ground floor for parking and storage of Unit 2B.

52. Additional Rent. Lessor shall be responsible for payment of all amounts and charges that are assessed or levied against the Project by any applicable owner's association ("HOA Dues") during the Original Term and any Option Term. In the event Lessee exercises the Extended Zoning Term, then Lessee shall be responsible for payment of HOA Dues assessed against the Project during the Zoning Extension Term, unless Lessee has not leased the third floor of Unit 2B, in which case Lessor shall pay a pro rata share of HOA Dues assessed against Unit 2B (to be calculated by dividing the rentable square footage of Unit 2B that is not leased to Lessee by the total rentable square footage of Unit 2B and multiplying that number by the amount of HOA dues assessed against Unit 2B).

53. Option to Extend Term.

- a. Lessee shall have the option to extend the term hereof for two (2) additional one (1) year periods (the "**First Option Term**" and the "**Second Option Term**", which are sometimes referred to as the "**Option Terms**") following the expiration of the Original 18 month term (the "**Original Term**"), by giving written notice of exercise of such option as provided in Paragraph 23 of the Lease.
- b. To exercise the option to extend the lease for the Option Term(s), Lessee shall provide written notice to Lessor not more than six (6) months and not less than

two (2) months prior to the end of the Original Term or the First Option Term as applicable.

c. Base Rent during the Option Term(s).

- i.) During the First Option Term Base Rent shall be \$13,770.00 per month; if prior to the commencement of the first Option Term, or at anytime during the First Option Term Lessee has either exercised its Right of First Offer, or exercised its Expansion Option (as set forth below) the additional sum of \$4,590.00 per month shall be due for the First Office Space or Expansion Space as may be applicable.
- ii.) During the Second Option Term Base Rent shall be \$14,045.40 per month; if prior to the commencement of the Second Option Term Lessee has either exercised its Right of First Offer, or exercised its Expansion Option (as set forth below) the additional sum of \$4,681.80 per month shall be due for the First Office Space or Expansion Space as may be applicable.

d. Option to Extend Term in the Event of Re-Zoning Approval and/or Lessee's Use is otherwise found to be in compliance with present zoning.

- i. Lessee shall, at its sole cost and expense, use commercially reasonable efforts to ensure that the Agreed Use of the Premises and Project is consistent with all applicable zoning and other governmental regulations as well as any CC&Rs and other restrictions affecting title, which efforts may include re-zoning the Premises and Project or such other actions as required to ensure that the Agreed Use is consistent with or otherwise complies with applicable zoning or other government regulations and restrictions affecting title. Lessor shall cooperate with Lessee in the processing all applications, including providing Lessee with written authorization to act as Lessor's agent for the purpose of filing applications for re-zonings, letters of determination, and other regulatory approvals, and approvals from any owner's association or board established by CC&Rs, and Lessee agrees to reimburse Lessor for all costs incurred in such application processes.
- ii. Lessor, as owner of the Premises and Project, authorizes Lessee to file and process any applications with the San Francisco Planning Department or other government agencies that Lessee determines may be necessary or desirable to rezone the Premises or Project or otherwise make the Agreed Use consistent with zoning and other government regulations.
- iii. Lessee shall keep Lessor reasonably informed of its progress and provide Lessor copies of all applications, correspondence and/or

determinations exchanged between Lessee and the appropriate governmental agencies and/or boards.

- iv. In the event that Lessee determines that the Agreed Use complies with existing zoning and CC&Rs and other restrictions affecting title, or in the alternative, acquires either a variance (or similar right which permits its use) or the Project is re-zoned to permit such use and any owners' association consents to or approves such use, Lessee, may, in its sole discretion and at any point during the Original Term, First Option Term, or Second Option Term extend the Term of the Lease for a period of Ten (10) years (the "**Zoning Extension Term**"). Lessee shall provide Lessor with written notice (the "**Zoning Extension Notice**") of its exercise of the Zoning Extension, and the Zoning Extension Term shall commence thirty (30) days after Lessor's receipt of the Zoning Extension Notice (the "**Zoning Extension Commencement Date**").

- a. Rent during the Zoning Extension Term.
Commencing on the Zoning Extension Commencement Date, Base Rent during the Zoning Extension Term shall be Eighteen Thousand and no/100 Dollars (\$18,000.00) per month (prorated for any partial months), plus reimbursement of Lessor of the cost of HOA Dues (prorated for any partial months).
 - b. Base Rent shall increase by two percent (2%) throughout the Zoning Extension Term on each anniversary of the Zoning Extension Commencement Date
 - c. The "**Base Year**" shall be the year after in the year in which the Zoning Extension Commencement Date occurs.
 - d. Notwithstanding any other provision of this Lease, during the first fourteen (14) months of the Zoning Extension Term, Base Rent shall be abated by 50% of the amount that would otherwise be due. Lessor and Lessee agree that this 14 month period of abated rent is in lieu of a tenant improvement allowance.
2. If Lessee exercises the Zoning Extension Term, Lessor and Lessee shall confirm in writing as an amendment to this Lease the exercise of the Zoning Extension Term.

iv. *Early Termination Right Extinguished.* If Lessee exercises the Zoning Extension Term, the right of early termination, set forth in Paragraph 57 below, shall be extinguished and of no further force or effect.

54. Right of First Offer to Lease. Lessor grants to Lessee the right of first offer ("**First Offer Right**") with respect to all of the space on the third floor and 50% of the space on the ground floor of Unit 2B, which is currently occupied by Synertel (the "**First Offer Space**"). Lessee's First-Offer Right shall be on the terms and conditions set forth in this section 54.

- a. *Superior Rights.* The First-Offer Right shall begin only after the expiration or earlier termination of the SynerTel lease (the "**Superior Lease**"). The parties hereto acknowledge that the Superior Lease is a month-to-month tenancy and except as otherwise provided herein Lessor is not obligated to terminate said Superior Lease. Lessor shall not enter into a modification or amendment of the Superior Lease, or enter into a new lease with SynerTel (the existing lessee under the Superior Lease), that would extend the term of the Superior Lease or that would fail to give Lessor the right to terminate the Superior Lease upon thirty (30) days notice for any reason.
- b. *Procedure for Lessor's Offer.* Lessor shall provide Lessee with written notice ("**First-Offer Notice**") from time to time when Lessor determines that the First Offer Space will become available for lease to third parties. Lessor shall provide the First-Offer Notice to Lessee within sixty (60) days before the First Offer Space will be available for lease. The First Offer Notice shall state the projected delivery date ("**Projected Delivery Date**").
- c. *Procedure for Lessee's Acceptance.* If Lessee wishes to exercise Lessee's First Offer Right with respect to the First Offer Space, Lessee shall, within ten (10) business days after delivery of the First-Offer Notice to Lessee deliver notice to Lessor of Lessee's intention to exercise its First Offer Right with respect to all of the First Offer Space ("**Lessee's Notice of Intention to Exercise**").
- d. *Effect of Lessee's Failure to Exercise First-Offer Right.* If Lessee does not exercise its First Offer Right within the response period specified in subsection (c), the First Offer Right shall terminate for the First Offer Space and Lessor shall be free to lease that space to anyone on any terms at any time during the Lease Term, without further obligation to provide Lessee with a further right to lease that space
- e. *Delivery of the First-Offer Space.* If Lessee timely and validly exercises the First Offer Right, Lessor shall deliver the First Offer Space to Lessee on a date selected by Lessor that is no sooner than forty-five (45) days after receipt of Lessee's Notice of Intention to Exercise ("**Delivery Date**"). Lessor shall not be in default under this Lease if Lessor is unable to deliver the First Offer Space to Lessee on the Delivery Date due to the failure of any other lessee to timely vacate and surrender to Lessor the First Offer Space, provided that

Lessor shall use commercially reasonable efforts, including unlawful detainer proceedings, to promptly remove any other lessee, person, or entity from the First Offer Space and to deliver the First Offer Space to Lessee.

- f. *Terms and Conditions Applicable to the First Offer Space.* If Lessee timely and validly exercises the First Offer Right, then beginning on the Delivery Date, or such later date as Lessor delivers possession of the First Offer Space to Lessee, and continuing for the balance of the Lease Term (including any extensions):
- i. The First Offer Space shall be part of the Premises under this Lease (so that the term "Premises" in this Lease shall refer to the space in the Premises immediately before the Delivery Date plus the First Offer Space); and
 - ii. Lessee's lease of the First-Offer Space shall be on the same terms and conditions as affect the original Premises from time to time, except for Rent. Tenant's obligation to pay Rent with respect to the First Offer Space shall begin on the date that Lessor delivers possession of the First Offer Space to Lessee and shall be prorated for any partial months. Rent for the First Offer Space shall be equal to Four Thousand Five Hundred and no/100 Dollars (\$4,500) per month during the Original Term, and shall be at the same pro rata rental rate as is in effect for the original Premises during any Option Term and the Zoning Extension Term. The First Offer Space shall be leased to Lessee in its "as-is" condition. Lessor shall not be required to construct any improvements in, or contribute any improvement allowance for the First Offer Space.
 - iii. If Lessee timely and validly exercises the First Offer Right, Lessor and Lessee shall, within fourteen (14) days after Lessor's delivery of the First Offer Space to Lessee, confirm in writing the addition of the First Offer Space to the Premises. The written confirmation shall confirm:
 1. The actual delivery date;
 2. The amount of Rent due and the rental commencement date for the First Offer Space
 3. Any other term that either party requests be confirmed with respect to the First Offer Space

In no event shall any failure or refusal of either Lessor or Lessee to execute such confirmation affect the rights and obligation of Lessor and Lessee with respect to the First Offer Space.

55. Expansion Option. Lessor grants to Lessee the option ("Expansion Option") to expand the Premises in accordance with and subject to the provisions of this section

55. The Expansion Option shall apply to all of the space on the third floor and 50% of the ground floor of Unit 2B (the "Expansion Space").

- a. Lessee may exercise the Expansion Option only by giving irrevocable written notice of such exercise ("**Expansion Notice**") to Lessor at any time during the Original Term, any Option Term, or the Zoning Extension Term.
- b. If Lessee timely and validly exercises the Expansion Option, Lessor shall deliver the Expansion Space to Lessee on a date selected by Lessor (the "**Expansion Delivery Date**") that is no sooner than the first day of the month sixty (60) days after receipt of the Expansion Notice. Lessor shall not be liable to Lessee or otherwise be in default under this Lease if Lessor is unable to deliver the Expansion Space to Lessee on the projected Expansion Delivery Date due to failure of any other lessee to timely vacate and surrender to Lessor the Expansion Space, provided that Lessor promptly terminates the Superior Lease or any other existing lease of the Expansion Space, and provided further that Lessor shall use commercially reasonable efforts, including unlawful detainer proceedings, to promptly remove any other lessee or person from the Expansion Space and deliver the Expansion Space to Lessee..
- c. Lessor shall deliver the Expansion Space to Lessee broom clean and in reasonably good condition.
- d. Terms and Conditions Applicable to the Expansion Space. If Lessee timely and validly exercises the Expansion Option, then, beginning on the date that Lessor delivers the Expansion Space to Lessee and continuing for the balance of the Lease Term (including any extensions), the Expansion Space shall be part of the Premises under this Lease (so that the term "Premises" in this Lease shall refer to the space in the original Premises plus the Expansion Space). Lessee's lease of the Expansion Space shall be on the same terms and conditions as affect the original Premises from time to time, except that Rent for the Expansion Space shall be equal to Four Thousand Five Hundred and no/100 Dollars (\$4,500) per month, prorated for partial any months during the Original Term, and shall be at the same pro rata rental rate as is in effect for the original Premises during any Option Term and the Zoning Extension Term, prorated for any partial months. Lessee's obligation to pay Rent with respect to the Expansion Space shall begin on the date which Lessor delivers the Expansion Space to Lessee.
- e. The Expansion Space shall be leased to Lessee in its "as-is" condition. Lessor shall not be required to construct any improvements in, or contribute any improvement allowance for the Expansion Space..
- f. If Lessee timely and validly exercises the Expansion Option, Lessor and Lessee shall, within fourteen (14) days after Lessor's delivery of the Expansion Space to Lessee, confirm in writing the addition of the Expansion Space to the Premises. The written confirmation shall confirm:

1. The actual delivery date;
2. The amount of Rent due and the rental commencement date for the Expansion Space; and
3. Any other term that either party requests be confirmed with respect to the Expansion Space.

In no event shall any failure or refusal of either Lessor or Lessee to execute such confirmation affect the rights and obligation of Lessor and Lessee with respect to the Expansion Space.

56. Right of First Refusal to Purchase. During the Original Term, Lessor shall not sell the Project or Property to any party other than Lessee or a Permitted Transferee, as applicable. If during any Option Term or the Zoning Extension Term Lessor receives an unsolicited offer to purchase the Property from any third party which Lessor wishes to pursue, Lessor may negotiate and execute a mutually acceptable purchase contract with such third party, provided that such contract includes an express provision disclosing Lessee's "**Right of First Refusal to Purchase**" set forth herein, and providing that such contract is subject to Lessee's waiver of such right. Upon execution, Lessor shall promptly submit the contract (with the identity of the offeror redacted) to Lessee. Within ten (10) days of such submission, Lessee shall have the right to execute a contract for the purchase of the Property on identical terms and conditions and purchase the Property pursuant thereto (but with the inclusion of not less than a 30-day contingency period for Lessee's completion of due diligence and investigation of the Property) by providing written notice to Lessor ("**Purchase Notice**"), and the contract first negotiated by Lessor with such third party shall be null and void and of no further force or effect. Lessor may, however, accept such third party offer as a back up offer effective if, and only if, Lessee fails to consummate the described transaction. Lessee may assign its Right of First Refusal to a Permitted Transferee, as that term is defined in Paragraph 58, below.

57. Lessee's Right of Early Termination. Except as otherwise provided herein, at any time after the Commencement Date Lessee shall have the option, on written notice to Lessor (the "**Termination Notice**"), to terminate this Lease with respect to all of the Premises or Project, as applicable, for any reason. For the purpose of clarification, and in no way limiting Lessee's early termination right, Lessee's early termination right shall apply if Lessee determines that the Agreed Use complies with existing zoning and CC&Rs and other restrictions affecting title, or in the alternative, acquires either a variance (or similar right which permits its use) or the Project is re-zoned to permit such use and any owners' association consents to or approves such use. The termination shall be effective 90 days after Lessee delivers the Termination Notice to Lessor (the "**Lease Termination Date**"). Within 15 days of Lessee's delivery of the Termination Notice to Lessor, Lessor shall notify Lessee of the amount of the "**Lease Termination Fee**" which shall be equal to any pre-paid and unamortized real estate commissions paid to Brokers. Within 15 days of such notification from Lessor, Lessee shall pay to Lessor the Lease Termination Fee.

58. **Permitted Transferee.** Notwithstanding any other provision of this Lease, Lessee shall have the right at any time during the Original Term, the Option Terms, or the Zoning Extension Term to sublease or assign all or any portion of the Premises or Project, if applicable, or this Lease and the option to purchase granted under this Lease, upon notice, but without Lessor's prior written consent to Lessee's affiliates, organizations with which Lessee has an ongoing operational relationship, organizations participating in the Center for Youth Wellness, and/or Lessee's partner organizations, including but not limited to California Pacific Medical Center, Tipping Point Community, the Child Advocacy Center, the City and County of San Francisco, the Lucile Packard Children's Hospital, the Center for Youth Wellness, and the University of California, San Francisco (each a "**Permitted Transferee**"). Lessee shall retain 100% of the profits created by any such sublease or assignment.

59. **Diligence Documents.** Within thirty (30) days of the execution of this Lease, Lessor shall deliver to Lessee the following documents (to the extent that they are in Lessor's possession or control:

a., Surveys. Copies of all existing surveys and maps of the Premises and Project; b. Plans. Copies of all existing architectural, construction and other drawings, renderings, plans and specifications of the Premises and Project for the Improvements intended to be constructed on the Premises or Project (collectively, the "**Plans**"); c. Soils Reports. Any soils or geotechnical reports on the Premises or Project, including without limitation any reports on compliance with any soils work recommended to be done prior to construction of any Improvements; d. Engineers' Reports. Any structural, mechanical, environmental, geological or seismic studies or reports concerning the Property; f. Leases. Copies of all leases, licenses and concessions or other agreements relating to the use or occupancy of any portion of the Premises or Property as well as materials, files and correspondence relating thereto (collectively, "**Leases**"); g. Tax Bills. Receipts of paid real property tax bills and bills for any other assessments for the Premises or Property, as well as copies of such bills for the current tax year; h. Inspection Reports. Copies of all reports received by Seller within three (3) years prior to the execution of the Lease from Seller's insurance companies, any governmental agency or any other person or entity, which requires or demands correction of any condition, or requests modification in or termination of any uses of the Property, accompanied by Seller's summary of the present status of any matter noted in any report; i. Maintenance Records and Contracts. Copies of all maintenance contracts, maintenance records, service records, warranties, and reports pertaining to the roof, HVAC, elevators, plumbing, electrical system, and any other operating system of the Premises or Project. In addition, Lessor shall authorize Lessee to contact Seller's contractors and consultants and secure from them any such records or reports in the possession thereof. k. Access Agreements. Copies of all easements, licenses, and access agreements permitting any party access to the Property for any reason, including without limitation, for environmental remediation or testing; l. Environmental Records. Copies of

all records, reports, data, surveys, maps, assessments and other documentation in the possession or control of Lessor or its contractors or consultants concerning the environmental condition of the Property or any Hazardous Material on or under or in the ambient air at the Property, or any claims by any party relating thereto. In addition, Seller shall authorize Buyer to contact Seller's contractors and consultants and secure from them any such records or reports in the possession thereof, including any Phase I and Phase II studies, construction reports, building inspection reports, permit history, engineering, and all other reports, studies and analyses. **m. Income and Expense Statements** for the last three (3) years as well as any vendor files and vendor invoices, utility billings, insurance billings, general ledgers, etc. **.n. Insurance**. Copies of existing insurance policies affecting the Premises and Project; **o. Governmental Approvals**. Approval and permits from governmental agencies which have jurisdiction over the Property, including, but not limited to, permit and approvals required with respect to zoning, planning building, and safety, fire, police, and ADA; **p. Owners Association**. Copies of the associations by laws, articles of incorporation, current budget and financial statement **q.** Copies of any and all environmental notices, citations, or correspondence from any environmental or hazardous material agencies; **r.** Copies of all existing construction drawings, as built plans, and specifications for the Property; **q.** Copies of any materials related to pending or threatened litigation involving the Property or the Seller on account of ownership of the Property; **s.** Any notices from governmental authorities regarding road projects, condemnations, ad valorem taxes and assessments, and municipal code violations; **t.** ADA compliance records, building and use approval from the City and County of San Francisco, including certificates of occupancy; **u.** Evidence that Seller has the authority and is duly authorized to enter into the Agreement; **v.** estoppel certificates from any existing tenants or HOAs; **w.** a completed Property Information Sheet; **x.** a completed Seller's Mandatory Disclosure Statement and Natural Zones Disclosure Report; and **y.** a preliminary title report, and copies of all title exceptions

If Lessor comes into possession or custody of documentation relating to (a) through (y) above during the Original Term, Option Term(s), and/or Extended Term, Lessor shall promptly provide the same to Lessee, and in no event more than 15 business days after Lessor comes into possession or control of the same. If Lessee exercises the Option to Purchase (as provided for in paragraph 50 of this Lease), then Lessor shall confirm in writing at such time that it has provided all documentation relating to (a) through (y) above to Lessee in its control or possession.

60. Lessor Representations and Warranties. Notwithstanding any other provision of this Lease, Lessor represents and warrants that the representations and warranties made by Seller in Sections 12 and 35 of the Standard Offer, Agreement and Escrow Instructions for Purchase of Real Estate and Section are true as of the date this Lease is executed by the parties and will continue to be true at the Start Date. The term "knowledge" is defined as set forth in Section 12 of the Purchase Agreement, attached as Exhibit A to the Option to Purchase.

61. **Signage.** Notwithstanding any other provision of this Lease, Lessee shall be permitted to install custom signage at Lessee's sole cost and expense subject to reasonable approval by Lessor, any owner's association, and the City and County of San Francisco. Such signage shall be generally consistent with the existing signage on other similar condominiums along Third Street.
62. **Bookkeeping and Audit Rights.** Lessee and its authorized representatives shall have the right, at Lessee's sole cost and on no less than ten (10) days' prior written notice to Lessor, to audit Lessor's records and books regarding the Operating Expenses. Such an audit shall be performed at Lessor's principal accounting offices by a "Big Four" or other national or San Francisco Bay Area certified public accounting firm. That firm's primary business must be certified public accounting, and that firm shall be selected by Lessee. There shall be no more than one (1) audit of the Operating Expenses records for any twelve-month (12-month) period. Lessee shall bear all fees and costs of the audit, unless the parties determine that the Operating Expenses taken as a whole for any calendar year were overstated by three percent (3%) or more. In that event Lessor shall pay for the reasonable costs of that audit. Pending resolution of any disputes over Operating Expenses, Lessee shall pay to Lessor any monies alleged to be owed from Lessee as reflected on Lessor's statement or any invoice issued on the basis of Lessor's statement.
63. **HVAC.** Within execution 30 days of execution of this Lease, Lessor shall at its expense have the HVAC systems at Units 2A and 2B inspected by a qualified service technician to certify that the HVAC systems are in good working order. Lessor shall provide Lessee with copies of the service technician's reports. If the qualified service technician determines that any service, repairs, or replacement of the HVAC system is reasonably required, Lessor shall promptly arrange for and complete the same at Lessor's expense.
64. **Days.** Unless otherwise specifically indicated to the contrary, the word "days" as used in this Lease shall mean and refer to calendar days.
65. **Counterparts.** This Agreement and any supplement, addendum, or modification, including any photocopy or facsimile, may be executed in two or more counterparts, all of which constitute the same writing. The parties hereto agree that mechanically reproduced facsimile signatures are treated the same as hand written signatures.
66. **Patriot Act.** In compliance with Executive Order 13224 and the USA Patriot Act of 2001, Lessee affirmatively represents and warrants that (a) neither Lessee nor any officer, director, or principal of Lessee has committed or supported terrorist acts; or (b) neither Lessee nor any officer, director, or principal of Lessee is identified on the list of Specially Designated Nations and Blocked Persons generated by the Office of Foreign Assets Control.

Signatures Appear on the Page Next Following:

Dated: September ___, 2011

September ___, 2011

LESSEE:

LESSOR:

**SAN FRANCISCO CHILD ABUSE
PREVENTION CENTER, A CALIFORNIA
NONPROFIT CORPORATION**

**1238 SUTTER STREET, LLC, A
CALIFORNIA LIMITED LIABILITY
COMPANY**

By: _____

Name Printed: Katie Albright
Title: Executive Director

By: _____

Name Printed: Michael Ching
Title: Member

By: _____

Name Printed: Chris Keane
Title: Chair, Board of Directors



STANDARD OFFER, AGREEMENT AND ESCROW INSTRUCTIONS FOR PURCHASE OF REAL ESTATE

(Non-Residential)

AIR Commercial Real Estate Association

(Date for Reference Purposes)

1. Buyer.

1.1

San Francisco Child Abuse Prevention Center, a California nonprofit corporation, ("Buyer") hereby offers to purchase the real property, hereinafter described, from the owner thereof ("Seller") (collectively, the "Parties" or individually, a "Party"), through an escrow ("Escrow") to close in accordance with Paragraph 29, below. 30 or _____ days after the waiver or expiration of the Buyer's Contingencies, ("Expected Closing Date") to be held by Old Republic Title Company (Attn Annie Nobile) ("Escrow Holder") whose address is 265 Montgomery Street, San Francisco, CA 94104

Phone No. _____

Facsimile No. _____

upon the terms and conditions set forth in this agreement ("Agreement"). Buyer shall have the right to assign Buyer's rights hereunder, but any such assignment shall not relieve Buyer of Buyer's obligations herein unless Seller expressly releases Buyer.

1.2 The term "Date of Agreement" as used herein shall be the date when by execution and delivery (as defined in paragraph 20.2) of this document or a subsequent counteroffer thereto, Buyer and Seller have reached agreement in writing whereby Seller agrees to sell, and Buyer agrees to purchase, the Property upon terms accepted by both Parties.

2. Property.

2.1 The real property ("Property") that is the subject of this offer consists of (insert a brief physical description) two, three level,
commercial condominiums

is located in the City of San Francisco, County of San Francisco,
State of California, is commonly known by the street address of 3450 Third Street, Units 2A and
2B

and is legally described as: per title

(APN: 5211-032, 5211-033).

2.2 If the legal description of the Property is not complete or is inaccurate, this Agreement shall not be invalid and the legal description shall be completed or corrected to meet the requirements of ("Title Company"), which shall issue the title policy hereinafter described.

2.3 The Property includes, at no additional cost to Buyer, the permanent improvements thereon, including those items which pursuant to applicable law are a part of the property, as well as the following items, if any, owned by Seller and at present located on the Property: electrical distribution systems (power panel, bus ducting, conduits, disconnects, lighting fixtures); telephone distribution systems (lines, jacks and connections only); space heaters; heating, ventilating, air conditioning equipment ("HVAC"); air lines; fire sprinkler systems; security and fire detection systems; carpets; window coverings; wall coverings; and _____

(collectively, the "Improvements").

2.4 The fire sprinkler monitor: ☐ is owned by Seller and included in the Purchase Price, ☐ is leased by Seller, and Buyer will need to negotiate a new lease with the fire monitoring company, ☐ ownership will be determined during Escrow, or ☒ there is no fire sprinkler monitor.

2.5 Except as provided in Paragraph 2.3, the Purchase Price does not include Seller's personal property, furniture and furnishings, and _____ all of

which shall be removed by Seller prior to Closing.

3. Purchase Price. See Addendum, Paragraph 28.

3.1 The purchase price ("Purchase Price") to be paid by Buyer to Seller for the Property shall be \$ _____, payable as follows:

(a) Cash down payment, including the Deposit as defined in paragraph 4.3 (or if an all cash

transaction, the Purchase Price): \$ _____

(Strike if not applicable) (b) Amount of "New Loan" as defined in paragraph 5.1, if any: \$ _____

(c) Buyer shall take title to the Property subject to and/or assume the following existing deed(s) of trust ("**Existing Deed(s) of Trust**") securing the existing promissory note(s) ("**Existing Note(s)**"):

(i) An Existing Note ("**First Note**") with an unpaid principal balance as of the Closing of approximately: \$ _____

Said First Note is payable at \$ _____ per month,

(Strike if not applicable) including interest at the rate of _____ % per annum until paid (and/or the entire unpaid balance is due on _____).

(ii) An Existing Note ("**Second Note**") with an unpaid principal balance as of the Closing of approximately: \$ _____

Said Second Note is payable at \$ _____ per month,

including interest at the rate of _____ % per annum until paid (and/or the entire unpaid balance is due on _____).

(Strike if not applicable) (d) Buyer shall give Seller a deed of trust ("**Purchase Money Deed of Trust**") on the property, to secure the promissory note of Buyer to Seller described in paragraph 6 - ("**Purchase Money Note**") in the amount of: \$ _____

Total Purchase Price: \$ _____

3.2 If Buyer is taking title to the Property subject to, or assuming, an Existing Deed of Trust and such deed of trust permits the beneficiary to demand payment of fees including, but not limited to, points, processing fees, and appraisal fees as a condition to the transfer of the Property, Buyer agrees to pay such fees up to a maximum of 1.5% of the unpaid principal balance of the applicable Existing Note.

4. Deposits.

4.1 ☐ Buyer has delivered to Seller Broker a check in the sum of \$100,000.00, payable to Escrow Holder, to be delivered by Seller Broker to Escrow Holder within 3 or _____ business days after both Parties have executed this Agreement and the executed Agreement has been delivered to Escrow Holder, or ☐ within 2 or _____ business days after both Parties have executed this Agreement and the executed Agreement has been delivered to Escrow Holder. Buyer shall deliver to Escrow Holder a check in the sum of \$ _____. If Buyer does not deliver said check to Seller said check is not received by Escrow Holder within said time period then Seller may elect to unilaterally terminate this transaction by giving written notice of such election to Escrow Holder whereupon neither Party shall have any further liability to the other under this Agreement. Should Buyer and Seller not enter into an agreement for purchase and sale, Buyer's check or funds shall, upon request by Buyer, be promptly returned to Buyer.

4.2 Additional deposits:

(a) Within 5 business days after the Date of Agreement, Buyer shall deposit with Escrow Holder the additional sum of \$ _____ to be applied to the Purchase Price at the Closing.

(b) Within 5 business days after the contingencies discussed in paragraph 9.1 (a) through (k) are approved or waived, Buyer shall deposit with Escrow Holder the additional sum of \$ _____ to be applied to the Purchase Price at the Closing.

4.3 Escrow Holder shall deposit the funds deposited with it by Buyer pursuant to paragraphs 4.1 and 4.2 (collectively the "**Deposit**"), in a State or Federally chartered bank in an interest bearing account whose term is appropriate and consistent with the timing requirements of this transaction. The interest therefrom shall accrue to the benefit of Buyer, who hereby acknowledges that there may be penalties or interest forfeitures if the applicable instrument is redeemed prior to its specified maturity. Buyer's Federal Tax Identification Number is _____. NOTE: Such interest bearing account cannot be opened until Buyer's Federal Tax Identification Number is provided.

i. **Financing Contingency.** (Strike if not applicable)

5.1 This offer is contingent upon Buyer obtaining from an insurance company, financial institution or other lender, a commitment to lend to Buyer a sum equal to at least _____ % of the Purchase Price, on terms reasonably acceptable to Buyer. Such loan ("**New Loan**") shall be secured by a first deed of trust or mortgage on the Property. If this Agreement provides for Seller to carry back junior financing, then Seller shall have the right to approve the terms of the New Loan. Seller shall have 7 days from receipt of the commitment setting forth the proposed terms of the New Loan to approve or disapprove of such proposed terms. If Seller fails to notify Escrow Holder, in writing, of the disapproval within said 7 days it shall be conclusively presumed that Seller has approved the terms of the New Loan.

5.2 Buyer hereby agrees to diligently pursue obtaining the New Loan. If Buyer shall fail to notify its Broker, Escrow Holder and Seller, in writing within _____ days following the Date of Agreement, that the New Loan has not been obtained, it shall be conclusively presumed that Buyer has either obtained said New Loan or has waived this New Loan contingency.

5.3 If, after due diligence, Buyer shall notify its Broker, Escrow Holder and Seller, in writing, within the time specified in paragraph 5.2 hereof, that Buyer has not obtained said New Loan, this Agreement shall be terminated, and Buyer shall be entitled to the prompt return of the Deposit, plus any interest earned thereon, less only Escrow Holder and Title Company cancellation fees and costs, which Buyer shall pay.

i. **Seller Financing** (Purchase Money Note). (Strike if not applicable)

6.1 If Seller approves Buyer's financials (see paragraph 6.5) the Purchase Money Note shall provide for interest on unpaid principal at the rate of _____ % per annum, with principal and interest paid as follows: _____

The Purchase Money Note and Purchase Money Deed of Trust shall be on the current forms commonly used by Escrow Holder, and be junior and subordinate only to the Existing Note(s) and/or the ~~Loan~~ expressly called for by this Agreement.

6.2 The Purchase Money Note and/or the Purchase Money Deed of Trust shall contain provisions regarding the following (see also paragraph 10.3 (b)):

- (a) ~~Prepayment~~. Principal may be prepaid in whole or in part at any time without penalty, at the option of the Buyer.
- (b) ~~Late Charge~~. A late charge of 6% shall be payable with respect to any payment of principal, interest, or other charges, not made within 10 days after it is due.
- (c) ~~Due On Sale~~. In the event the Buyer sells or transfers title to the Property or any portion thereof, then the Seller may, at Seller's option, require the entire unpaid balance of said Note to be paid in full.

6.3 If the Purchase Money Deed of Trust is to be subordinate to other financing, Escrow Holder shall, at Buyer's expense prepare and record on Seller's behalf a request for notice of default and/or sale with regard to each mortgage or deed of trust to which it will be subordinate.

6.4 **WARNING: CALIFORNIA LAW DOES NOT ALLOW DEFICIENCY JUDGEMENTS ON SELLER FINANCING. IF BUYER ULTIMATELY DEFAULTS ON THE LOAN, SELLER'S SOLE REMEDY IS TO FORECLOSE ON THE PROPERTY.**

6.5 Seller's obligation to provide financing is contingent upon Seller's reasonable approval of Buyer's financial condition. Buyer to provide a current financial statement and copies of its Federal tax returns for the last 3 years to Seller within 10 days following the Date of Agreement. Seller has 10 days following receipt of such documentation to satisfy itself with regard to Buyer's financial condition and to notify Escrow Holder as to whether or not Buyer's financial condition is acceptable. If Seller fails to notify Escrow Holder, in writing, of the disapproval of this contingency within said time period, it shall be conclusively presumed that Seller has approved Buyer's financial condition. If Seller is not satisfied with Buyer's financial condition or if Buyer fails to deliver the required documentation then Seller may notify Escrow Holder in writing that Seller Financing will not be available, and Buyer shall have the option, within 10 days of the receipt of such notice, to either terminate this transaction or to purchase the Property without Seller financing. If Buyer fails to notify Escrow Holder within said time period of its election to terminate this transaction then Buyer shall be conclusively presumed to have elected to purchase the Property without Seller financing. If Buyer elects to terminate, Buyer's Deposit shall be refunded less Title Company and Escrow Holder cancellation fees and costs, all of which shall be Buyer's obligation.

7. Real Estate Brokers.

7.1 The following real estate broker(s) ("**Brokers**") and brokerage relationships exist in this transaction and are consented to by the Parties (check the applicable boxes):

- ☒ HC&M Commercial represents Seller exclusively ("**Seller's Broker**");
- ☒ Kidder Matthews represents Buyer exclusively ("**Buyer's Broker**"); or
- ☐ _____ represents both Seller and Buyer ("**Dual Agency**").

The Parties acknowledge that Brokers are the procuring cause of this Agreement. See paragraph 24 regarding the nature of a real estate agency relationship. Buyer shall use the services of Buyer's Broker exclusively in connection with any and all negotiations and offers with respect to the Property or a period of 1 year from the date inserted for reference purposes at the top of page 1.

7.2 Buyer and Seller each represent and warrant to the other that he/she/it has had no dealings with any person, firm, broker or finder in connection with the negotiation of this Agreement and/or the consummation of the purchase and sale contemplated herein, other than the Brokers named in paragraph 7.1, and no broker or other person, firm or entity, other than said Brokers is/are entitled to any commission or finder's fee in connection with this transaction as the result of any dealings or acts of such Party. Buyer and Seller do each hereby agree to indemnify, defend, protect and hold the other harmless from and against any costs, expenses or liability for compensation, commission or charges which may be claimed by any broker, finder or other similar party, other than said named Brokers by reason of any dealings or act of the indemnifying Party.

8. Escrow and Closing.

8.1 Upon acceptance hereof by Seller, this Agreement, including any counteroffers incorporated herein by the Parties, shall constitute not only the agreement of purchase and sale between Buyer and Seller, but also instructions to Escrow Holder for the consummation of the Agreement through the Escrow. Escrow Holder shall not prepare any further escrow instructions restating or amending the Agreement unless specifically so instructed by the Parties or a Broker herein. Subject to the reasonable approval of the Parties, Escrow Holder may, however, include its standard general escrow provisions.

8.2 As soon as practical after the receipt of this Agreement and any relevant counteroffers, Escrow Holder shall ascertain the Date of Agreement as defined in paragraphs 1.2 and 20.2 and advise the Parties and Brokers, in writing, of the date ascertained.

8.3 Escrow Holder is hereby authorized and instructed to conduct the Escrow in accordance with this Agreement, applicable law and custom and practice of the community in which Escrow Holder is located, including any reporting requirements of the Internal Revenue Code. In the event of a conflict between the law of the state where the Property is located and the law of the state where the Escrow Holder is located, the law of the state where the Property is located shall prevail.

8.4 Subject to satisfaction of the contingencies herein described, Escrow Holder shall close this escrow (the "**Closing**") by recording a general warranty deed (a grant deed in California) and the other documents required to be recorded, and by disbursing the funds and documents in accordance with this Agreement.

8.5 ~~See Paragraph 30, below.~~ Buyer and Seller shall each pay one half of the Escrow Holder's charges and Seller shall pay the usual recording fees and any required documentary transfer taxes. Seller shall pay the premium for a standard coverage owner's or joint protection policy of title insurance. (See also paragraph 14)

8.6 Escrow Holder shall verify that all of Buyer's contingencies have been satisfied or waived prior to Closing. The matters contained in paragraphs 9.1 subparagraphs (b), (c), (d), (e), (g), (i), (n), and (o), 9.4, 9.5, 12, 13, 14, 16, 18, 20, 21, 22, and 24 are, however, matters of agreement between the Parties only and are not instructions to Escrow Holder.

8.7 If this transaction is terminated for non-satisfaction and non-waiver of a Buyer's Contingency, as defined in paragraph 9.2, then neither of the Parties shall thereafter have any liability to the other under this Agreement, except to the extent of a breach of any affirmative covenant or warranty in this Agreement. In the event of such termination, Buyer shall be promptly refunded all funds deposited by Buyer with Escrow Holder, less only Title Company and Escrow Holder cancellation fees and costs, all of which shall be Buyer's obligation. If this transaction is terminated as a result of Seller's breach of this Agreement then Seller shall pay the Title Company and Escrow Holder cancellation fees and costs.

8.8 The Closing shall occur on the Expected Closing Date, or as soon thereafter as the Escrow is in condition for Closing; provided, however, that the Closing does not occur by the Expected Closing Date and said Date is not extended by mutual instructions of the Parties, a Party not then in default under this Agreement may notify the other Party, Escrow Holder, and Brokers, in writing that, unless the Closing occurs within 5 business days following said notice, the Escrow shall be deemed terminated without further notice or instructions.

8.9 Except as otherwise provided herein, the termination of Escrow shall not relieve or release either Party from any obligation to pay Escrow Holder's fees and costs or constitute a waiver, release or discharge of any breach or default that occurred in the performance of the obligations, agreements, covenants or warranties contained therein.

8.10 If this sale of the Property is not consummated for any reason other than Seller's breach or default, then at Seller's request, and as a condition to any obligation to return Buyer's deposit (see paragraph 21), Buyer shall within 5 days after written request deliver to Seller, at no charge, copies of all surveys, engineering studies, soil reports, maps, master plans, feasibility studies and other similar items prepared by or for Buyer that pertain to the Property. Provided, however, that Buyer shall not be required to deliver any such report if the written contract which Buyer entered into with the consultant who prepared such report specifically forbids the dissemination of the report to others.

9. Contingencies to Closing.

9.1 The Closing of this transaction is contingent upon the satisfaction or waiver of the following contingencies. **IF BUYER FAILS TO NOTIFY ESCROW HOLDER, IN WRITING, OF THE DISAPPROVAL OF ANY OF SAID CONTINGENCIES WITHIN THE TIME SPECIFIED THEREIN, IT SHALL BE CONCLUSIVELY PRESUMED THAT BUYER HAS APPROVED SUCH ITEM, MATTER OR DOCUMENT.** Buyer's conditional approval shall constitute disapproval, unless provision is made by the Seller within the time specified therefore by the Buyer in such conditional approval or by this Agreement, whichever is later, for the satisfaction of the condition imposed by the Buyer. Escrow Holder shall promptly provide all Parties with copies of any written disapproval or conditional approval which it receives. With regard to subparagraphs (a) through (m) the pre-printed time periods shall control unless a different number of days is inserted in the spaces provided.

(a) ~~Disclosure.~~ Seller shall make to Buyer, through Escrow, all of the applicable disclosures required by law (See AIR Commercial Real Estate Association ("AIR") standard form entitled "Seller's Mandatory Disclosure Statement") and provide Buyer with a completed Property Information Sheet ("**Property Information Sheet**") concerning the Property, duly executed by or on behalf of Seller in the current form or equivalent to that published by the AIR within 10 or _____ days following the Date of Agreement. Buyer has 10 days from the receipt of said disclosures to approve or disapprove the matters disclosed.

(b) ~~Physical Inspection.~~ Buyer has 10 or _____ days from the receipt of the Property Information Sheet or the Date of Agreement, whichever is later, to satisfy itself with regard to the physical aspects and size of the Property.

(c) ~~Hazardous Substance Conditions Report.~~ Buyer has 30 or _____ days from the receipt of the Property Information Sheet or the Date of Agreement, whichever is later, to satisfy itself with regard to the environmental aspects of the Property. Seller recommends that Buyer obtain a Hazardous Substance Conditions Report concerning the Property and relevant adjoining properties. Any such report shall be paid for by Buyer. A "**Hazardous Substance**" for purposes of this Agreement is defined as any substance whose nature and/or quantity of existence, use, manufacture, disposal or effect, render it subject to Federal, state or local regulation, investigation, remediation or removal as potentially injurious to public health or welfare. A "**Hazardous Substance Condition**" for purposes of this Agreement is defined as the existence on, under or relevantly adjacent to the Property of a Hazardous Substance that would require remediation and/or removal under applicable Federal, state or local law.

(d) ~~Soil Inspection.~~ Buyer has 30 or _____ days from the receipt of the Property Information Sheet or the Date of Agreement, whichever is later, to satisfy itself with regard to the condition of the soils on the Property. Seller recommends that Buyer obtain a soil test report. Any such report shall be paid for by Buyer. Seller shall provide Buyer copies of any soils report that Seller may have within 10 days of the Date of Agreement.

(e) ~~Governmental Approvals.~~ Buyer has 30 or _____ days from the Date of Agreement to satisfy itself with regard to approvals and permits from governmental agencies or departments which have or may have jurisdiction over the Property and which Buyer deems necessary or desirable in connection with its intended use of the Property, including, but not limited to, permits and approvals required with respect to zoning, planning, building and safety, fire, police, handicapped and Americans with Disabilities Act requirements, transportation and environmental matters.

(f) ~~Conditions of Title.~~ Escrow Holder shall cause a current commitment for title insurance ("**Title Commitment**") concerning the Property issued by the Title Company, as well as legible copies of all documents referred to in the Title Commitment ("**Underlying Documents**"), and a scaled and dimensioned plot showing the location of any easements to be delivered to Buyer within 10 or _____ days following the Date of Agreement. Buyer has 10 days from the receipt of the Title Commitment, the Underlying Documents and the plot plan to satisfy itself with regard to the condition of title. The disapproval by Buyer of any monetary encumbrance, which by the terms of this Agreement is not to remain against the Property after the Closing, shall not be considered a failure of this contingency, as Seller shall have the obligation, at Seller's expense, to satisfy and remove such disapproved monetary encumbrance at or before the Closing.

(g) ~~Survey.~~ Buyer has 30 or _____ days from the receipt of the Title Commitment and Underlying Documents to satisfy itself with regard to any ALTA title supplement based upon a survey prepared to American Land Title Association ("**ALTA**") standards for an owner's policy by a licensed surveyor, showing the legal description and boundary lines of the Property, any easements of record, and any improvements, poles, structures and things located within 10 feet of either side of the Property boundary lines. Any such survey shall be prepared at Buyer's direction and expense. If Buyer has obtained a survey and approved the ALTA title supplement, Buyer may elect within the period allowed for Buyer's approval of a survey to have an ALTA extended coverage owner's form of title policy, in which event Buyer shall pay any additional premium attributable thereto.

(h) ~~Existing Leases and Tenancy Statements.~~ Seller shall within 10 or _____ days of the Date of Agreement provide both Buyer and Escrow Holder with legible copies of all leases, subleases or rental arrangements (collectively, "**Existing Leases**") affecting the Property, and with a tenancy statement ("**Estoppel Certificate**") in the latest form or equivalent to that published by the AIR, executed by Seller and/or each tenant and subtenant of the Property. Seller shall use its best efforts to have each tenant complete and execute an Estoppel Certificate. If any tenant fails or refuses to provide an Estoppel Certificate then Seller shall complete and execute an Estoppel Certificate for that tenancy. Buyer has 10 days from the receipt of said Existing Leases and Estoppel Certificates to satisfy itself with regard to the Existing Leases and any other tenancy issues.

(i) ~~Owner's Association.~~ Seller shall within 10 or _____ days of the Date of Agreement provide Buyer with a statement and transfer package from any owner's association servicing the Property. Such transfer package shall at a minimum include: copies of the association's bylaws, articles of incorporation, current budget and financial statement. Buyer has 10 days from the receipt of such documents to satisfy itself with regard to the association.

(j) ~~Other Agreements.~~ Seller shall within 10 or _____ days of the Date of Agreement provide Buyer with legible copies of all other agreements ("**Other Agreements**") known to Seller that will affect the Property after Closing. Buyer has 10 days from the receipt of said Other Agreements to satisfy itself with regard to such Agreements.

(k) ~~Financing.~~ If paragraph 5 hereof dealing with a financing contingency has not been stricken, the satisfaction or waiver of such New Loan contingency.

(l) ~~Existing Notes.~~ If paragraph 3.1(c) has not been stricken, Seller shall within 10 or _____ days of the Date of Agreement provide Buyer with legible copies of the Existing Notes, Existing Deeds of Trust and related agreements (collectively, "**Loan Documents**") to which the Property will remain subject after the Closing. Escrow Holder shall promptly request from the holders of the Existing Notes a beneficiary statement ("**Beneficiary Statement**") confirming: (1) the amount of the unpaid principal balance, the current interest rate, and the date to which interest is paid, and (2) the nature

and amount of any impounds held by the beneficiary in connection with such loan. Buyer has 10 _____ days from the receipt of the Loan Documents and Beneficiary Statements to satisfy itself with regard to such financing. Buyer's obligation to close is conditioned upon Buyer being able to purchase the Property without acceleration or change in the terms of any Existing Notes or charges to Buyer except as otherwise provided in this Agreement or approved by Buyer, provided, however, Buyer shall pay the transfer fee referred to in paragraph 3.2 hereof.

(m) *Personal Property*. In the event that any personal property is included in the Purchase Price, Buyer has 10 or _____ days from the Date of Agreement to satisfy itself with regard to the title condition of such personal property. Seller recommends that Buyer obtain a UCC-1 report. Any such report shall be paid for by Buyer. Seller shall provide Buyer copies of any liens or encumbrances affecting such personal property that it is aware of within 10 or _____ days of the Date of Agreement.

(n) *Destruction, Damage or Loss*. There shall not have occurred prior to the Closing, a destruction of, or damage or loss to, the Property or any portion thereof, from any cause whatsoever, which would cost more than \$540,000.00 to repair or cure. If the cost of repair or cure is \$540,000.00 or less, Seller shall repair or cure the loss prior to the Closing. Buyer shall have the option, within 10 days after receipt of written notice of a loss costing more than \$450,000.00 to repair or cure, to either terminate this Agreement or to purchase the Property notwithstanding such loss, but without deduction or offset against the Purchase Price. If the cost to repair or cure is more than \$450,000.00, and Buyer does not elect to terminate this Agreement, Buyer shall be entitled to any insurance proceeds applicable to such loss. Unless otherwise notified in writing, Escrow Holder shall assume no such destruction, damage or loss has occurred prior to Closing.

(o) *Material Change*. Buyer shall have 10 days following receipt of written notice of a Material Change within which to satisfy itself with regard to such change. "**Material Change**" shall mean a substantial adverse change in the use, occupancy, tenants, title, or condition of the Property that occurs after the date of this offer and prior to the Closing. Unless otherwise notified in writing, Escrow Holder shall assume that no Material Change has occurred prior to the Closing.

(p) *Seller Performance*. The delivery of all documents and the due performance by Seller of each and every undertaking and agreement to be performed by Seller under this Agreement.

(q) *Brokerage Fee*. Payment at the Closing of such brokerage fee as is specified in this Agreement or later written instructions to Escrow Holder executed by Seller and Brokers ("**Brokerage Fee**"). It is agreed by the Parties and Escrow Holder that Brokers are a third party beneficiary of this Agreement insofar as the Brokerage Fee is concerned, and that no change shall be made with respect to the payment of the Brokerage Fee specified in this Agreement, without the written consent of Brokers.

9.2 All of the contingencies specified in subparagraphs (a) through (m) of paragraph 9.1 are for the benefit of, and may be waived by, Buyer, and may be elsewhere herein referred to as "**Buyer's Contingencies**."

9.3 If any of Buyer's Contingencies or any other matter subject to Buyer's approval is disapproved as provided for herein in a timely manner ("**Disapproved Item**"), Seller shall have the right within 10 days following the receipt of notice of Buyer's disapproval to elect to cure such Disapproved Item prior to the Expected Closing Date ("**Seller's Election**"). Seller's failure to give to Buyer within such period, written notice of Seller's commitment to cure such Disapproved Item on or before the Expected Closing Date shall be conclusively presumed to be Seller's Election not to cure such Disapproved Item. If Seller elects, either by written notice or failure to give written notice, not to cure a Disapproved Item, Buyer shall have the right, within 10 days after Seller's Election to either accept title to the Property subject to such Disapproved Item, or to terminate this Agreement. Buyer's failure to notify Seller in writing of Buyer's election to accept title to the Property subject to the Disapproved Item without deduction or offset shall constitute Buyer's election to terminate this Agreement. Unless expressly provided otherwise herein, Seller's right to cure shall not apply to the remediation of Hazardous Substance Conditions or to the Financing Contingency. Unless the Parties mutually instruct otherwise, if the time periods for the satisfaction of contingencies or for Seller's and Buyer's elections would expire on a date after the Expected Closing Date, the Expected Closing Date shall be deemed extended for 3 business days following the expiration of: (a) the applicable contingency period(s), (b) the period within which the Seller may elect to cure the Disapproved Item, or (c) if Seller elects not to cure, the period within which Buyer may elect to proceed with this transaction, whichever is later.

9.4 Buyer understands and agrees that until such time as all Buyer's Contingencies have been satisfied or waived, Seller and/or its agents may solicit, entertain and/or accept back-up offers to purchase the Property.

9.5 The Parties acknowledge that extensive local, state and Federal legislation establish broad liability upon owners and/or users of real property for the investigation and remediation of Hazardous Substances. The determination of the existence of a Hazardous Substance Condition and the evaluation of the impact of such a condition are highly technical and beyond the expertise of Brokers. The Parties acknowledge that they have been advised by Brokers to consult their own technical and legal experts with respect to the possible presence of Hazardous Substances on the Property or adjoining properties, and Buyer and Seller are not relying upon any investigation by or statement of Brokers with respect thereto. The Parties hereby assume all responsibility for the impact of such Hazardous Substances upon their respective interests herein.

10. Documents Required at or Before Closing:

10.1 Five days prior to the Closing date Escrow Holder shall obtain an updated Title Commitment concerning the Property from the Title Company and provide copies thereof to each of the Parties.

10.2 Seller shall deliver to Escrow Holder in time for delivery to Buyer at the Closing:

(a) Grant or general warranty deed, duly executed and in recordable form, conveying fee title to the Property to Buyer.

(b) If applicable, the Beneficiary Statements concerning Existing Note(s).

(c) If applicable, the Existing Leases and Other Agreements together with duly executed assignments thereof by Seller and Buyer. The assignment of Existing Leases shall be on the most recent Assignment and Assumption of Lessor's Interest in Lease form published by the AIR or its equivalent.

(d) If applicable, Estoppel Certificates executed by Seller and/or the tenant(s) of the Property.

(e) An affidavit executed by Seller to the effect that Seller is not a "foreign person" within the meaning of Internal Revenue Code Section 1445 or successor statutes. If Seller does not provide such affidavit in form reasonably satisfactory to Buyer at least 3 business days prior to the Closing, Escrow Holder shall at the Closing deduct from Seller's proceeds and remit to the Internal Revenue Service such sum as is required by applicable Federal law with respect to purchases from foreign sellers.

(f) If the Property is located in California, an affidavit executed by Seller to the effect that Seller is not a "nonresident" within the meaning of California Revenue and Tax Code Section 18662 or successor statutes. If Seller does not provide such affidavit in form reasonably satisfactory to Buyer at least 3 business days prior to the Closing, Escrow Holder shall at the Closing deduct from Seller's proceeds and remit to the Franchise Tax Board such sum as is required by such statute.

(g) If applicable, a bill of sale, duly executed, conveying title to any included personal property to Buyer.

(h) If the Seller is a corporation, a duly executed corporate resolution authorizing the execution of this Agreement and the sale of the Property.

10.3 Buyer shall deliver to Seller through Escrow:

(a) The cash portion of the Purchase Price and such additional sums as are required of Buyer under this Agreement shall be deposited by

Buyer with Escrow Holder, by federal funds wire transfer, or any other method acceptable to Escrow Holder in immediately collectable funds, no later than 2:00 P.M. on the business day prior to the ~~Elect~~ Closing Date.

~~(b) If a Purchase Money Note and Purchase Money Deed of Trust are called for by this Agreement, the duly executed originals of these documents, the Purchase Money Deed of Trust being in recordable form, together with evidence of fire insurance on the improvements in the amount of the full replacement cost naming Seller as a mortgage loss payee, and a real estate tax service contract (at Buyer's expense), assuring Seller of notice of the status of payment of real property taxes during the life of the Purchase Money Note.~~

~~(c) The Assignment and Assumption of Lessor's Interest in Lease form specified in paragraph 10.2(c) above, duly executed by Buyer.~~

~~(d) Assumptions duly executed by Buyer of the obligations of Seller that accrue after Closing under any Other Agreements.~~

~~(e) If applicable, a written assumption duly executed by Buyer of the loan documents with respect to Existing Notes.~~

~~(f) If the Buyer is a corporation, a duly executed corporate resolution authorizing the execution of this Agreement and the purchase of the Property.~~

10.4 At Closing, Escrow Holder shall cause to be issued to Buyer a standard coverage (or ALTA extended, if elected pursuant to 9.1(g)) owner's form policy of title insurance effective as of the Closing, issued by the Title Company in the full amount of the Purchase Price, insuring title to the Property vested in Buyer, subject only to the exceptions approved by Buyer. In the event there is a Purchase Money Deed of Trust in this transaction, the policy of title insurance shall be a joint protection policy insuring both Buyer and Seller.

IMPORTANT: IN A PURCHASE OR EXCHANGE OF REAL PROPERTY, IT MAY BE ADVISABLE TO OBTAIN TITLE INSURANCE IN CONNECTION WITH THE CLOSE OF ESCROW SINCE THERE MAY BE PRIOR RECORDED LIENS AND ENCUMBRANCES WHICH AFFECT YOUR INTEREST IN THE PROPERTY BEING ACQUIRED. A NEW POLICY OF TITLE INSURANCE SHOULD BE OBTAINED IN ORDER TO ENSURE YOUR INTEREST IN THE PROPERTY THAT YOU ARE ACQUIRING.

11. Prorations and Adjustments.

11.1 Taxes. Applicable real property taxes and special assessment bonds shall be prorated through Escrow as of the date of the Closing, based upon the latest tax bill available. The Parties agree to prorate as of the Closing any taxes assessed against the Property by supplemental bill levied by reason of events occurring prior to the Closing. Payment of the prorated amount shall be made promptly in cash upon receipt of a copy of any supplemental bill.

11.2 Insurance. **WARNING:** Any insurance which Seller may have maintained will terminate on the Closing. Buyer is advised to obtain appropriate insurance to cover the Property.

11.3 Rentals, Interest and Expenses. Scheduled rentals, interest on Existing Notes, utilities, and operating expenses shall be prorated as of the date of Closing. The Parties agree to promptly adjust between themselves outside of Escrow any rents received after the Closing.

11.4 Security Deposit. Security Deposits held by Seller shall be given to Buyer as a credit to the cash required of Buyer at the Closing.

11.5 Post Closing Matters. Any item to be prorated that is not determined or determinable at the Closing shall be promptly adjusted by the Parties by appropriate cash payment outside of the Escrow when the amount due is determined.

11.6 Variations in Existing Note Balances. In the event that Buyer is purchasing the Property subject to an Existing Deed of Trust(s), and in the event that a Beneficiary Statement as to the applicable Existing Note(s) discloses that the unpaid principal balance of such Existing Note(s) at the closing will be more or less than the amount set forth in paragraph 3.1(c) hereof ("**Existing Note Variation**"), then the Purchase Money Note(s) shall be reduced or increased by an amount equal to such Existing Note Variation. If there is to be no Purchase Money Note, the cash required at the Closing per paragraph 3.1(a) shall be reduced or increased by the amount of such Existing Note Variation.

11.7 Variations in New Loan Balance. In the event Buyer is obtaining a New Loan and the amount ultimately obtained exceeds the amount set forth in paragraph 5.1, then the amount of the Purchase Money Note, if any, shall be reduced by the amount of such excess.

11.8 Owner's Association Fees. Escrow Holder shall: (i) bring Seller's account with the association current and pay any delinquencies or transfer fees from Seller's proceeds, and (ii) pay any up front fees required by the association from Buyer's funds.

12. Representations and Warranties of Seller and Disclaimers. *The representations and warranties given hereunder are to the best of Seller's Knowledge. References to the "knowledge" of Seller shall refer only to the actual knowledge of Michael Ching and shall not be construed, by imputation or otherwise, to refer to the knowledge of any other person, agent, manager, representative or employee of Seller or to impose upon such person any duty to investigate the matter to which such actual knowledge, or absence therefrom, pertain.*

12.1 Seller's warranties and representations shall survive the Closing and delivery of the deed for a period of ~~36 months~~ years, and, are true, material and relied upon by Buyer and Brokers in all respects. Seller hereby makes the following warranties and representations to Buyer and Brokers:

(a) *Authority of Seller.* Seller is the owner of the Property and/or has the full right, power and authority to sell, convey and transfer the Property to Buyer as provided herein, and to perform Seller's obligations hereunder.

(b) *Maintenance During Escrow and Equipment Condition At Closing.* Except as otherwise provided in paragraph 9.1(m) hereof, Seller shall maintain the Property until the Closing in its present condition, ordinary wear and tear excepted.

(c) *Hazardous Substances/Storage Tanks.* Seller has no knowledge, except as otherwise disclosed to Buyer in writing, of the existence or prior existence on the Property of any Hazardous Substance, nor of the existence or prior existence of any above or below ground storage tank.

(d) *Compliance.* Seller has no knowledge of any aspect or condition of the Property which violates applicable laws, rules, regulations, codes or covenants, conditions or restrictions, or of improvements or alterations made to the Property without a permit where one was required, or of any unfulfilled order or directive of any applicable governmental agency or casualty insurance company requiring any investigation, remediation, repair, maintenance or improvement be performed on the Property.

(e) *Changes in Agreements.* Prior to the Closing, Seller will not violate or modify any Existing Lease or Other Agreement, or create any new leases or other agreements affecting the Property, without Buyer's written approval, which approval will not be unreasonably withheld.

(f) *Possessory Rights.* Seller has no knowledge that anyone will, at the Closing, have any right to possession of the Property, except as disclosed by this Agreement or otherwise in writing to Buyer.

(g) *Mechanics' Liens.* There are no unsatisfied mechanics' or materialmen's lien rights concerning the Property.

(h) *Actions, Suits or Proceedings.* Seller has no knowledge of any actions, suits or proceedings pending or threatened before any commission, board, bureau, agency, arbitrator, court or tribunal that would affect the Property or the right to occupy or utilize same.

(i) *Notice of Changes.* Seller will promptly notify Buyer and Brokers in writing of any Material Change (see paragraph 9.1(n)) affecting the Property that becomes known to Seller prior to the Closing.

(j) *No Tenant Bankruptcy Proceedings.* Seller has no notice or knowledge that any tenant of the Property is the subject of a bankruptcy or insolvency proceeding.

(k) *No Seller Bankruptcy Proceedings.* Seller is not the subject of a bankruptcy, insolvency or probate proceeding.

(l) *Personal Property.* Seller has no knowledge that anyone will, at the Closing, have any right to possession of any personal property included in the Purchase Price nor knowledge of any liens or encumbrances affecting such personal property, except as disclosed by this Agreement or otherwise in writing to Buyer.

12.2 Buyer hereby acknowledges that, except as otherwise stated in this Agreement, Buyer is purchasing the Property in its existing condition and will, by the time called for herein, make or have waived all inspections of the Property Buyer believes are necessary to protect its own interest in, and its contemplated use of, the Property. The Parties acknowledge that, except as otherwise stated in this Agreement, no representations, inducements, promises, agreements, assurances, oral or written, concerning the Property, or any aspect of the occupational safety and health laws, Hazardous Substance laws, or any other act, ordinance or law, have been made by either Party or Brokers, or relied upon by either Party hereto.

12.3 In the event that Buyer learns that a Seller representation or warranty might be untrue prior to the Closing, and Buyer elects to purchase the Property anyway then, and in that event, Buyer waives any right that it may have to bring an action or proceeding against Seller or Brokers regarding said representation or warranty.

12.4 Any environmental reports, soils reports, surveys, and other similar documents which were prepared by third party consultants and provided to Buyer by Seller or Seller's representatives, have been delivered as an accommodation to Buyer and without any representation or warranty as to the sufficiency, accuracy, completeness, and/or validity of said documents, all of which Buyer relies on at its own risk. Seller believes said documents to be accurate, but Buyer is advised to retain appropriate consultants to review said documents and investigate the Property.

13. Possession.

Possession of the Property shall be given to Buyer at the Closing subject to the rights of tenants under Existing Leases.

14. Buyer's Entry.

At any time during the Escrow period, Buyer, and its agents and representatives, shall have the right at reasonable times and subject to rights of tenants, to enter upon the Property for the purpose of making inspections and tests specified in this Agreement. No destructive testing shall be conducted, however, without Seller's prior approval which shall not be unreasonably withheld. Following any such entry or work, unless otherwise directed in writing by Seller, Buyer shall return the Property to the condition it was in prior to such entry or work, including the recompaction or removal of any disrupted soil or material as Seller may reasonably direct. All such inspections and tests and any other work conducted or materials furnished with respect to the Property by or for Buyer shall be paid for by Buyer as and when due and Buyer shall indemnify, defend, protect and hold harmless Seller and the Property of and from any and all claims, liabilities, losses, expenses (including reasonable attorneys' fees), damages, including those for injury to person or property, arising out of or relating to any such work or materials or the acts or omissions of Buyer, its agents or employees in connection therewith.

15. Further Documents and Assurances.

The Parties shall each, diligently and in good faith, undertake all actions and procedures reasonably required to place the Escrow in condition for Closing as and when required by this Agreement. The Parties agree to provide all further information, and to execute and deliver all further documents, reasonably required by Escrow Holder or the Title Company.

16. Attorneys' Fees.

If any Party or Broker brings an action or proceeding (including arbitration) involving the Property whether founded in tort, contract or equity, or to declare rights hereunder, the Prevailing Party (as hereafter defined) in any such proceeding, action, or appeal thereon, shall be entitled to reasonable attorneys' fees. Such fees may be awarded in the same suit or recovered in a separate suit, whether or not such action or proceeding is pursued to decision or judgment. The term "**Prevailing Party**" shall include, without limitation, a Party or Broker who substantially obtains or defeats the relief sought, as the case may be, whether by compromise, settlement, judgment, or the abandonment by the other Party or Broker of its claim or defense. The attorneys' fees award shall not be computed in accordance with any court fee schedule, but shall be such as to fully reimburse all attorneys' fees reasonably incurred.

17. Prior Agreements/Amendments.

17.1 This Agreement supersedes any and all prior agreements between Seller and Buyer regarding the Property.

17.2 Amendments to this Agreement are effective only if made in writing and executed by Buyer and Seller.

18. Broker's Rights.

18.1 If this sale is not consummated due to the default of either the Buyer or Seller, the defaulting Party shall be liable to and shall pay to Brokers the Brokerage Fee that Brokers would have received had the sale been consummated. If Buyer is the defaulting party, payment of said Brokerage Fee is in addition to any obligation with respect to liquidated or other damages.

18.2 Upon the Closing, Brokers are authorized to publicize the facts of this transaction.

19. Notices.

19.1 Whenever any Party, Escrow Holder or Brokers herein shall desire to give or serve any notice, demand, request, approval, disapproval or other communication, each such communication shall be in writing and shall be delivered personally, by messenger or by mail, postage prepaid, to the address set forth in this Agreement or by facsimile transmission.

19.2 Service of any such communication shall be deemed made on the date of actual receipt if personally delivered. Any such communication sent by regular mail shall be deemed given 48 hours after the same is mailed. Communications sent by United States Express Mail or overnight courier that guarantee next day delivery shall be deemed delivered 24 hours after delivery of the same to the Postal Service or courier. Communications transmitted by facsimile transmission shall be deemed delivered upon telephonic confirmation of receipt (confirmation report from fax machine is sufficient), provided a copy is also delivered via delivery or mail. If such communication is received on a Saturday, Sunday or legal holiday, it shall be deemed received on the next business day.

19.3 Any Party or Broker hereto may from time to time, by notice in writing, designate a different address to which, or a different person or additional persons to whom, all communications are thereafter to be made.

20. Duration of Offer.

20.1 If this offer is not accepted by Seller on or before 5:00 P.M. according to the time standard applicable to the city of -

_____ on the date of _____

_____ shall be deemed automatically revoked.

20.2 The acceptance of this offer, or of any subsequent counteroffer hereto, that creates an agreement between the Parties as described in paragraph 1.2, shall be deemed made upon delivery to the other Party or either Broker herein of a duly executed writing unconditionally accepting the set outstanding offer or counteroffer.

21. LIQUIDATED DAMAGES. See Addendum, Paragraph 33. (This Liquidated Damages paragraph is applicable only if initialed by both Parties).

~~THE PARTIES AGREE THAT IT WOULD BE IMPRACTICABLE OR EXTREMELY DIFFICULT TO FIX, PRIOR TO SIGNING THIS~~

AGREEMENT, THE ACTUAL DAMAGES WHICH WOULD BE SUFFERED BY SELLER IF BUYER FAILS TO PERFORM ITS OBLIGATIONS UNDER THIS AGREEMENT. THEREFORE, IF, AFTER THE SATISFACTION OR WAIVER OF ALL CONTINGENCIES PROVIDED FOR THE BUYER'S BENEFIT, BUYER BREACHES THIS AGREEMENT, SELLER SHALL BE ENTITLED TO LIQUIDATED DAMAGES IN THE AMOUNT OF _____ UPON PAYMENT OF SAID SUM TO SELLER, BUYER SHALL BE RELEASED FROM ANY FURTHER LIABILITY TO SELLER, AND ANY ESCROW CANCELLATION FEES AND TITLE COMPANY CHARGES SHALL BE PAID BY SELLER.

Buyer Initials

Seller Initials

22. ARBITRATION OF DISPUTES. *(This Arbitration of Disputes paragraph is applicable only if initialed by both Parties.)*

~~22.1 ANY CONTROVERSY AS TO WHETHER SELLER IS ENTITLED TO THE LIQUIDATED DAMAGES AND/OR BUYER IS ENTITLED TO THE RETURN OF DEPOSIT MONEY, SHALL BE DETERMINED BY BINDING ARBITRATION BY, AND UNDER THE COMMERCIAL RULES OF THE AMERICAN ARBITRATION ASSOCIATION ("COMMERCIAL RULES"). ARBITRATION HEARINGS SHALL BE HELD IN THE COUNTY WHERE THE PROPERTY IS LOCATED. ANY SUCH CONTROVERSY SHALL BE ARBITRATED BY 3 ARBITRATORS WHO SHALL BE IMPARTIAL REAL ESTATE BROKERS WITH AT LEAST 5 YEARS OF FULL TIME EXPERIENCE IN BOTH THE AREA WHERE THE PROPERTY IS LOCATED AND THE TYPE OF REAL ESTATE THAT IS THE SUBJECT OF THIS AGREEMENT. THEY SHALL BE APPOINTED UNDER THE COMMERCIAL RULES. THE ARBITRATORS SHALL HEAR AND DETERMINE SAID CONTROVERSY IN ACCORDANCE WITH APPLICABLE LAW, THE INTENTION OF THE PARTIES AS EXPRESSED IN THIS AGREEMENT AND ANY AMENDMENTS THERETO, AND UPON THE EVIDENCE PRODUCED AT AN ARBITRATION HEARING. PRE ARBITRATION DISCOVERY SHALL BE PERMITTED IN ACCORDANCE WITH THE COMMERCIAL RULES OR STATE LAW APPLICABLE TO ARBITRATION PROCEEDINGS. THE AWARD SHALL BE EXECUTED BY AT LEAST 2 OF THE 3 ARBITRATORS, BE RENDERED WITHIN 30 DAYS AFTER THE CONCLUSION OF THE HEARING, AND MAY INCLUDE ATTORNEYS' FEES AND COSTS TO THE PREVAILING PARTY PER PARAGRAPH 16 HEREOF. JUDGMENT MAY BE ENTERED ON THE AWARD IN ANY COURT OF COMPETENT JURISDICTION NOTWITHSTANDING THE FAILURE OF A PARTY DULY NOTIFIED OF THE ARBITRATION HEARING TO APPEAR THEREAT.~~

~~22.2 BUYER'S RESORT TO OR PARTICIPATION IN SUCH ARBITRATION PROCEEDINGS SHALL NOT BAR SUIT IN A COURT OF COMPETENT JURISDICTION BY THE BUYER FOR DAMAGES AND/OR SPECIFIC PERFORMANCE UNLESS AND UNTIL THE ARBITRATION RESULTS IN AN AWARD TO THE SELLER OF LIQUIDATED DAMAGES, IN WHICH EVENT SUCH AWARD SHALL ACT AS A BAR AGAINST ANY ACTION BY BUYER FOR DAMAGES AND/OR SPECIFIC PERFORMANCE.~~

~~22.3 NOTICE: BY INITIALING IN THE SPACE BELOW YOU ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THE "ARBITRATION OF DISPUTES" PROVISION DECIDED BY NEUTRAL ARBITRATION AS PROVIDED BY CALIFORNIA LAW AND YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT OR JURY TRIAL. BY INITIALING IN THE SPACE BELOW YOU ARE GIVING UP YOUR JUDICIAL RIGHTS TO DISCOVERY AND APPEAL, UNLESS SUCH RIGHTS ARE SPECIFICALLY INCLUDED IN THE "ARBITRATION OF DISPUTES" PROVISION. IF YOU REFUSE TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, YOU MAY BE COMPELLED TO ARBITRATE UNDER THE AUTHORITY OF THE CALIFORNIA CODE OF CIVIL PROCEDURE. YOUR AGREEMENT TO THIS ARBITRATION PROVISION IS VOLUNTARY.~~

~~WE HAVE READ AND UNDERSTAND THE FOREGOING AND AGREE TO SUBMIT DISPUTES ARISING OUT OF THE MATTERS INCLUDED IN THE "ARBITRATION OF DISPUTES" PROVISION TO NEUTRAL ARBITRATION.~~

Buyer Initials

Seller Initials

23. Miscellaneous.

23.1 Binding Effect. This Agreement shall be binding on the Parties without regard to whether or not paragraphs 21 and 22 are initialed by both of the Parties. Paragraphs 21 and 22 are each incorporated into this Agreement only if initialed by both Parties at the time that the Agreement is executed.

23.2 Applicable Law. This Agreement shall be governed by, and paragraph 22.3 is amended to refer to, the laws of the state in which the Property is located.

23.3 Time of Essence. Time is of the essence of this Agreement.

23.4 Counterparts. This Agreement may be executed by Buyer and Seller in counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument. Escrow Holder, after verifying that the counterparts are identical except for the signatures, is authorized and instructed to combine the signed signature pages on one of the counterparts, which shall then constitute the Agreement.

23.5 Waiver of Jury Trial. *To the extent permitted by law, THE PARTIES HEREBY WAIVE THEIR RESPECTIVE RIGHTS TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING INVOLVING THE PROPERTY OR ARISING OUT OF THIS AGREEMENT.*

23.6 Conflict. Any conflict between the printed provisions of this Agreement and the typewritten or handwritten provisions shall be controlled by the typewritten or handwritten provisions.

23.7 1031 Exchange. Both Seller and Buyer agree to cooperate with each other in the event that either or both wish to participate in a 1031 exchange. Any party initiating an exchange shall bear all costs of such exchange.

23.8 Days. Unless otherwise specifically indicated to the contrary, the word "days" as used in this Agreement shall mean and refer to calendar days.

24. Disclosures Regarding The Nature of a Real Estate Agency Relationship.

24.1 The Parties and Brokers agree that their relationship(s) shall be governed by the principles set forth in the applicable sections of the California Civil Code, as summarized in paragraph 24.2.

24.2 When entering into a discussion with a real estate agent regarding a real estate transaction, a Buyer or Seller should from the outset understand what type of agency relationship or representation it has with the agent or agents in the transaction. Buyer and Seller acknowledge being advised by the Brokers in this transaction, as follows:

(a) *Seller's Agent.* A Seller's agent under a listing agreement with the Seller acts as the agent for the Seller only. A Seller's agent or subagent has the following affirmative obligations: (1) *To the Seller.* A fiduciary duty of utmost care, integrity, honesty, and loyalty in dealings with the Seller. (2) *To the Buyer and the Seller.* a. Diligent exercise of reasonable skills and care in performance of the agent's duties. b. A duty of honest and fair dealing and good faith. c. A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the Parties. An agent is not obligated to reveal to either Party any confidential information obtained from the other Party which does not involve the affirmative duties set forth above.

(b) *Buyer's Agent.* A selling agent can, with a Buyer's consent, agree to act as agent for the Buyer only. In these situations, the agent is not the Seller's agent, even if by agreement the agent may receive compensation for services rendered, either in full or in part from the Seller. An agent acting only for a Buyer has the following affirmative obligations. (1) *To the Buyer:* A fiduciary duty of utmost care, integrity, honesty, and loyalty in dealings with the Buyer. (2) *To the Buyer and the Seller:* a. Diligent exercise of reasonable skills and care in performance of the agent's duties. b. A duty of honest and fair dealing and good faith. c. A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the Parties. An agent is not obligated to reveal to either Party any confidential information obtained from the other Party which does not involve the affirmative duties set forth above.

(c) *Agent Representing Both Seller and Buyer.* A real estate agent, either acting directly or through one or more associate licenses, can legally be the agent of both the Seller and the Buyer in a transaction, but only with the knowledge and consent of both the Seller and the Buyer. (1) In a dual agency situation, the agent has the following affirmative obligations to both the Seller and the Buyer: a. A fiduciary duty of utmost care, integrity, honesty and loyalty in the dealings with either Seller or the Buyer. b. Other duties to the Seller and the Buyer as stated above in their respective sections (a) or (b) of this paragraph 24.2. (2) In representing both Seller and Buyer, the agent may not without the express permission of the respective Party, disclose to the other Party that the Seller will accept a price less than the listing price or that the Buyer will pay a price greater than the price offered. (3) The above duties of the agent in a real estate transaction do not relieve a Seller or Buyer from the responsibility to protect their own interests. Buyer and Seller should carefully read all agreements to assure that they adequately express their understanding of the transaction. A real estate agent is a person qualified to advise about real estate. If legal or tax advice is desired, consult a competent professional.

(d) *Further Disclosures.* Throughout this transaction Buyer and Seller may receive more than one disclosure, depending upon the number of agents assisting in the transaction. Buyer and Seller should each read its contents each time it is presented, considering the relationship between them and the real estate agent in this transaction and that disclosure. Brokers have no responsibility with respect to any default or breach hereof by either Party. The Parties agree that no lawsuit or other legal proceeding involving any breach of duty, error or omission relating to this transaction may be brought against Broker more than one year after the Date of Agreement and that the liability (including court costs and attorneys' fees), of any Broker with respect to any breach of duty, error or omission relating to this Agreement shall not exceed the fee received by such Broker pursuant to this agreement; provided, however, that the foregoing limitation on each Broker's liability shall not be applicable to any gross negligence or willful misconduct of such Broker.

24.3 *Confidential Information:* Buyer and Seller agree to identify to Brokers as "Confidential" any communication or information given Brokers that is considered by such Party to be confidential.

5. Construction of Agreement. In construing this Agreement, all headings and titles are for the convenience of the Parties only and shall not be considered a part of this Agreement. Whenever required by the context, the singular shall include the plural and vice versa. Unless otherwise specifically indicated to the contrary, the word "days" as used in this Agreement shall mean and refer to calendar days. This Agreement shall not be construed as if prepared by one of the Parties, but rather according to its fair meaning as a whole, as if both Parties had prepared it.

6 Additional Provisions:

Additional provisions of this offer, if any, are as follows or are attached hereto by an addendum consisting of paragraphs 28 through 36. (If there are no additional provisions write "NONE".)

ATTENTION: NO REPRESENTATION OR RECOMMENDATION IS MADE BY THE AIR COMMERCIAL REAL ESTATE ASSOCIATION OR BY ANY BROKER AS TO THE LEGAL SUFFICIENCY, LEGAL EFFECT, OR TAX CONSEQUENCES OF THIS AGREEMENT OR THE TRANSACTION TO WHICH IT RELATES. THE PARTIES ARE URGED TO:

1. SEEK ADVICE OF COUNSEL AS TO THE LEGAL AND TAX CONSEQUENCES OF THIS AGREEMENT.
2. RETAIN APPROPRIATE CONSULTANTS TO REVIEW AND INVESTIGATE THE CONDITION OF THE PROPERTY. SAID INVESTIGATION SHOULD INCLUDE BUT NOT BE LIMITED TO: THE POSSIBLE PRESENCE OF HAZARDOUS SUBSTANCES, THE ZONING OF THE PROPERTY, THE INTEGRITY AND CONDITION OF ANY STRUCTURES AND OPERATING SYSTEMS, AND THE SUITABILITY OF THE PROPERTY FOR BUYER'S INTENDED USE.

WARNING: IF THE PROPERTY IS LOCATED IN A STATE OTHER THAN CALIFORNIA, CERTAIN PROVISIONS OF THIS AGREEMENT MAY NEED TO BE REVISED TO COMPLY WITH THE LAWS OF THE STATE IN WHICH THE PROPERTY IS LOCATED.

NOTE:

1. THIS FORM IS NOT FOR USE IN CONNECTION WITH THE SALE OF RESIDENTIAL PROPERTY.
2. IF THE BUYER IS A CORPORATION, IT IS RECOMMENDED THAT THIS AGREEMENT BE SIGNED BY TWO CORPORATE OFFICERS.

The undersigned Buyer offers and agrees to buy the Property on the terms and conditions stated and acknowledges receipt of a copy hereof.

BROKER:

Attn: _____
Title: _____
Address: _____
Telephone: (____) _____
Facsimile: (____) _____
Email: _____
Federal ID No. _____
Broker/Agent DRE License #: _____

BUYER:

San Francisco Child Abuse Prevention Center,
a California nonprofit corporation

By: _____
Date: _____
Name Printed: _____
Title: _____
Telephone: (____) _____
Facsimile: (____) _____
Email: _____
By: _____
Date: _____
Name Printed: _____
Title: _____
Address: _____

Telephone: (____) _____
Facsimile: (____) _____
Email: _____
Federal ID No. _____

17. Acceptance.
- 27.1 Seller accepts the foregoing offer to purchase the Property and hereby agrees to sell the Property to Buyer on the terms and conditions herein specified.
- 27.2 Seller acknowledges that Brokers have been retained to locate a Buyer and are the procuring cause of the purchase and sale of the Property

set forth in this Agreement. In consideration of real estate brokerage service rendered by Brokers, Seller agrees to pay Brokers a real estate Brokerage Fee in a sum equal to _____ % of the Purchase Price to be divided between the Brokers as follows: Seller's Broker _____ % and Buyer's Broker _____ %. This Agreement shall serve as an irrevocable instruction to Escrow Holder to pay such Brokerage Fee to Brokers out of the proceeds accruing to the account of Seller at the Closing.

27.3 Seller acknowledges receipt of a copy hereof and authorizes Brokers to deliver a signed copy to Buyer.

NOTE: A PROPERTY INFORMATION SHEET IS REQUIRED TO BE DELIVERED TO BUYER BY SELLER UNDER THIS AGREEMENT.

BROKER:

HC&M Commercial

Attn: Jay Cahan

Title: _____

Address: 1234 Mariposa Street
San Francisco, California 94107

Telephone: (415) 865-6102

Facsimile: ()

Email: jcahan@hcmcommercial.com

Federal ID No.: _____

Broker/Agent DRE License #: 01005130

SELLER:

1238 Sutter Street, LLC
a California limited liability company

By: _____

Date: _____

Name Printed: Michael Ching

Title: Member

Telephone: ()

Facsimile: ()

Email: _____

By: _____

Date: _____

Name Printed: _____

Title: _____

Address: _____

Telephone: ()

Facsimile: ()

Email: _____

Federal ID No.: _____

NOTICE: These forms are often modified to meet changing requirements of law and industry needs. Always write or call to make sure you are utilizing the most current form: AIR Commercial Real Estate Association, 800 W 6th Street, Suite 800, Los Angeles, CA 90017. Telephone No. (213) 687-8777. Fax No.: (213) 687-8616.

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ADDENDUM TO PURCHASE CONTRACT

By and between

1238 Sutter Street, LLC, a California limited liability company, As "Seller" and
San Francisco Child Abuse Prevention Center, a California nonprofit corporation, as
"Buyer"

Property Address: 3450 Third Street, Units 2A and 2B, San Francisco, California (the
"Property")

This Addendum is incorporated into and made a part of that certain Standard Offer, Agreement and Escrow Instructions for Purchase of Real Estate (Contract) dated _____ (Effective Date) as described above. In the event of any conflict between the terms of the Contract and the terms of this Addendum, the terms of this Addendum shall prevail.

28. **Purchase Price.** The Purchase Price to be paid by Buyer to Seller for this Property shall be as follows:

a. If Buyer exercises the Option to Purchase (as defined in Paragraph 50 of the Lease) on or before February 29, 2013, the Purchase Price shall be Three Million and no/100 Dollars (\$3,000,000.00).

b. If Buyer exercises the Option to Purchase after February 29, 2013, the Purchase Price for the Property shall be determined as follows:

i. "Fair Market Purchase Price" shall mean the price being paid in arms length transactions between buyers and sellers for comparable buildings in, and in the immediate vicinity of the India Basin, with similar amenities and similar land use controls. Fair Market Purchase Price shall be determined by Lessor with written notice (the "**Notice of Purchase Price**") given to Lessee not later than thirty (30) days following receipt of the Option Notice (as defined in Paragraph 50 of the Lease), subject to Lessee's right to arbitration as hereinafter provided. Under no circumstances shall the Fair Market Purchase Price be less than Three Million and no/100 Dollars (\$3,000,000.00.)

ii. If Lessee disputes the amount claimed by Lessor as the Fair Market Purchase Price, Lessee may require that Lessor submit the dispute to arbitration. Lessee shall notify Lessor of its demand for arbitration in writing within fifteen (15) days after service of the Notice of Purchase Price. Lessee's demand for arbitration shall include the designation by Lessee of its appointed arbitrator, who shall be a commercial real estate agent or broker with at least ten (10) years full-time experience who is familiar with the Fair Market Purchase Price of similar buildings/properties in the above-specified area.

iii. Within ten (10) days of receipt of Lessee's demand for arbitration, Lessor shall designate in writing its appointed arbitrator, who shall be similarly qualified. Within ten (10) days thereafter, the two

arbitrators shall select a third, neutral arbitrator, who shall be similarly qualified.

iv. Within thirty (30) days after the appointment of the neutral arbitrator, each party arbitrator shall simultaneously submit to the neutral arbitrator its proposed Fair Market Purchase Price. The neutral arbitrator shall select the one proposal which most closely approximates the neutral arbitrator's independent assessment of the Fair Market Purchase Price of the Premises. The arbitrator's authority is limited to selecting one of the parties' proposed Fair Market Purchase Price, and s/he shall have no authority to set a compromise purchase price. The decision of the arbitrator shall be final and binding on the parties. Each party shall pay the costs and fees of its arbitrator, and shall share in the costs and fees of the neutral arbitrator.

Failure on the part of Lessee to demand arbitration within fifteen (15) days following receipt of the Notice of Fair Market Purchase Price from Lessor shall bind Lessee to the Fair Market Purchase Price as determined by Lessor.

29. **Close of Escrow:** The Close of Escrow shall occur sixty (60) following Seller's receipt of written notice of Buyer's Exercise of the Option to Purchase pursuant to a separate agreement between Buyer and Seller, unless otherwise agreed to by the parties in writing. [
30. **Closing Costs.** Seller shall pay (a) the fees of any counsel representing it in connection with this transaction; and (b) any county transfer tax, documentary stamp tax or similar tax which becomes payable by reason of the transfer of the Property. Buyer shall pay (v) the fees of any counsel representing Buyer in connection with this transaction; (w) the fee for the title examination, the PTR, and the premium for the Owner's Policy of Title Insurance and any lender's title insurance policy to be issued to Buyer by the Title Company at Closing; (x) the cost of the Survey; (y) the fees for recording the deed conveying the Property to Buyer; and (z) any escrow fees which may be charged by the Title Company. All other costs and expenses incident to this transaction and the closing thereof shall be paid by the party incurring same, except as otherwise indicated herein.
31. **DISCLAIMER OF REPRESENTATIONS AND WARRANTIES BY SELLER.** Notwithstanding anything contained in this agreement to the contrary, except for those representations and warranties expressly made by Seller in this agreement, it is understood and agreed that neither Seller nor any of its respective agents, employees or contractors has made and is not now making, and Buyer has not relied upon and will not rely upon (directly or indirectly), any warranties or representations of any kind or character, express or implied, oral or written, past, present or future, with respect to the property, including warranties or representations as to (a) matters of title, (b) environmental matters relating to the property or any portion thereof, (c) geological conditions, including subsidence, subsurface conditions, water table, underground water reservoirs, limitations regarding the withdrawal of water and earthquake faults and the resulting damage of past and/or future earthquakes, (d) whether, and to the

extent to which the property or any portion thereof is affected by any stream (surface or underground), body of water, flood prone area, flood plain, floodway or special flood hazard, (e) drainage, (f) soil conditions, including the existence of instability, past soil repairs, soil additions or conditions of soil fill, or susceptibility to landslides, or the sufficiency of any undershoring, (g) zoning to which the property or any portion thereof may be subject, (h) the availability of any utilities to the property or any portion thereof including water, sewage, gas and electric, (i) usages of adjoining property, (j) access to the property or any portion thereof, (k) the value, compliance with the plans and specifications, size, location, age, use, design, quality, descriptions, suitability, seismic or other structural integrity, operation, title to, or physical or financial condition of the improvements or any other portion of the property, (l) any income, expenses, charges, liens, encumbrances, rights or claims on or affecting or pertaining to the property or any part thereof, (m) the presence of hazardous substances in or on, under or in the vicinity of the property, (n) the condition or use of the property or compliance of the property with any or all past, present or future federal, state or local ordinances, rules, regulations or laws, building, fire or zoning ordinances, codes or other similar laws, (o) the existence or non-existence of underground storage tanks, (p) any other matter affecting the stability or integrity of the real property, (q) the potential for further development of the property, (r) the existence of vested land use, zoning or building entitlements affecting the property, (s) the merchantability of the property or fitness of the property for any particular purpose (Buyer affirming that Buyer has not relied on the skill or judgment of Seller or any of its respective agents, employees or contractors to select or furnish the property for any particular purpose, and that Seller makes no warranty that the property is fit for any particular purpose) or (t) tax consequences (including the amount, use or provisions relating to any tax credits). Buyer further acknowledges that any information of any type which Buyer has received or may receive from Seller or any of its respective agents, employees or contractors, including any environmental reports and surveys, is furnished on the express condition that Buyer shall not rely thereon, but shall make an independent verification of the accuracy of such information, all such information being furnished without any representation or warranty whatsoever.

32. **SALE "AS IS".**

- a. Buyer represents and warrants that Buyer is a knowledgeable, experienced and sophisticated purchaser of real estate and that, except as otherwise expressly set forth in this agreement, Buyer has relied and shall rely solely on (a) Buyer's own expertise and that of Buyer's consultants in purchasing the property, and (b) Buyer's own knowledge of the property based on Buyer's investigations and inspections of the property. Buyer has conducted such inspections and investigations of the property as Buyer deems necessary, including the physical and environmental conditions thereof, and shall rely upon same. Upon closing, Buyer shall assume the risk that adverse matters, including adverse physical and environmental conditions, may not have been revealed by Buyer's inspections and investigations. Buyer acknowledges and agrees that upon closing, Seller shall sell and convey to Buyer and Buyer shall accept the property "as is, where is,"

with all faults and defects (latent and apparent). Buyer further acknowledges and agrees that there are no oral agreements, warranties or representations with respect to the property made by Seller (other than those representations and warranties expressly made by Seller in this agreement), or by any agent, employee or contractor of Seller. The terms and conditions of this addendum shall expressly survive the closing, shall not merge with the provisions of the deed or any other closing documents and shall be deemed to be incorporated by reference into the deed. Seller is not liable or bound in any manner by any oral or written statements, representations or information pertaining to the property furnished by any contractor, agent, employee, servant or other person. Buyer acknowledges that the purchase price reflects the "as is" nature of this sale and any faults, liabilities, defects or other adverse matters that may be associated with the property. Buyer has fully reviewed the disclaimers and waivers set forth in this agreement with Buyer's counsel and understands the significance and effect thereof.

- b. **BUYER ACKNOWLEDGMENTS.** Buyer acknowledges and agrees that (a) to the extent required to be operative, the disclaimers of warranties contained in sections 31 and 32 of this addendum are "conspicuous" disclaimers for purposes of all applicable laws and other legal requirements, and (b) the disclaimers and other agreements set forth in such sections are an integral part of this agreement, that the purchase price has been adjusted to reflect the same and that Seller would not have agreed to sell the property to Buyer for the purchase price without the disclaimers and other agreements set forth in sections 31 and 32.
- c. **BUYER REPRESENTED BY COUNSEL.** Buyer hereby represents and warrants to Seller that: (a) Buyer is not in a significantly disparate bargaining position in relation to Seller; (b) Buyer has had the opportunity to review the foregoing matters with counsel, and (c) Buyer is purchasing the property for business, commercial, investment or other similar purposes.
- d. **BUYER'S RELEASE OF SELLER.** Buyer's election to acquire the Property following its investigation thereof shall conclusively reflect Buyer's agreement that the following provision shall apply:

Buyer and anyone claiming by, through or under Buyer hereby waives its right to recover from and fully and irrevocably releases Seller and Seller's employees, officers, directors, representatives, agents, advisors, servants, attorneys, affiliates, parent, subsidiaries, successors and assigns, and all persons, firms, corporations and organizations acting on Seller's behalf (the "released parties") from any and all claims, responsibility and/or liability that Buyer may now have or hereafter acquire against any of the released parties for any costs, loss, liability, damage, expenses, demand, action or cause of action arising from or related to (a) the condition (including any construction defects, errors, omissions or other conditions, latent or otherwise), valuation, salability or utility of the property, or its suitability for any purpose whatsoever, (b) any presence of hazardous substances, any claim under environmental laws or any other environmental

condition, and (c) any information furnished by the released parties under or in connection with this agreement. This release includes claims of which Buyer is presently unaware or which Buyer does not presently suspect to exist which, if known by Buyer, would materially affect Buyer's release of the released parties. Buyer specifically waives the provision of any statute or principle of law, which provides otherwise. In this connection and to the extent permitted by law, Buyer agrees, represents and warrants that Buyer realizes and acknowledges that factual matters now unknown to Buyer may have given or may hereafter give rise to causes of action, claims, demands, debts, controversies, damages, costs, losses and expenses which are presently unknown, unanticipated and unsuspected, and Buyer further agrees, represents and warrants that the waivers and releases herein have been negotiated and agreed upon in light of that realization and that Buyer nevertheless hereby intends to release, discharge and acquit Seller from any such unknown causes of action, claims, demands, debts, controversies, damages, costs, losses and expenses. Buyer, on behalf of itself and anyone claiming by, through or under Buyer hereby assumes the above-mentioned risks and hereby expressly waives any right Buyer and anyone claiming by, through or under Buyer may have under section 1542 of the California Civil Code, which reads:

"A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor."

- e. **SELLER'S FRAUD NOT RELEASED.** Notwithstanding anything in this section 32 to the contrary, nothing in this release shall be deemed to release or relieve Seller from liability for any act of intentional misrepresentation by Seller in connection with this transaction, including with regard to any of Seller's representations and warranties or covenants.
- f. **BUYER'S ACCEPTANCE.** Seller has given Buyer material concessions regarding this transaction in exchange for Buyer agreeing to the provisions of this addendum. Buyer has initialed below to further indicate Buyer's awareness and acceptance of each and every provision of hereof.

Buyer's Initials

- g. **Survival.** The foregoing provisions of this Addendum, including the waivers and releases by Buyer, shall survive the closing and the recordation of the deed, and shall not be deemed merged into the deed or other documents and instruments delivered at closing.

33. Paragraph 22 of the Agreement, "Liquidated Damages," is deleted and replaced with the following:

LIQUIDATED DAMAGES. IN THE EVENT THAT THE ESCROW AND THIS TRANSACTION FAIL TO CLOSE SOLELY AS A RESULT OF THE

DEFAULT OF BUYER IN THE PERFORMANCE OF ITS OBLIGATIONS UNDER THIS AGREEMENT, BUYER AND SELLER AGREE THAT SELLER'S ACTUAL DAMAGES WOULD BE IMPRACTICABLE OR EXTREMELY DIFFICULT TO FIX. THE PARTIES THEREFORE AGREE THAT IN THE EVENT THAT ESCROW AND THIS TRANSACTION FAIL TO CLOSE SOLELY AS A RESULT OF THE DEFAULT OF BUYER IN THE PERFORMANCE OF ITS OBLIGATIONS HEREUNDER AND SELLER IS READY, WILLING AND ABLE TO PERFORM ITS OBLIGATIONS HEREUNDER, SELLER, AS SELLER'S SOLE AND EXCLUSIVE REMEDY, IS ENTITLED TO LIQUIDATED DAMAGES IN THE AMOUNT OF ALL DEPOSITS THERETOFORE MADE. IN THE EVENT ESCROW FAILS TO CLOSE SOLELY AS A RESULT OF BUYER'S DEFAULT AND SELLER IS READY, WILLING AND ABLE TO PERFORM ITS OBLIGATIONS HEREUNDER, THEN (A) THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF BUYER AND SELLER HEREUNDER AND THE ESCROW CREATED HEREBY SHALL TERMINATE, AND (B) ESCROW AGENT SHALL, AND IS HEREBY AUTHORIZED AND INSTRUCTED TO, RETURN PROMPTLY TO BUYER AND SELLER ALL DOCUMENTS AND INSTRUMENTS TO THE PARTIES WHO DEPOSITED THE SAME. THE PAYMENT OF SUCH AMOUNT AS 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. SELLER HEREBY WAIVES THE PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 3389. SELLER AND BUYER ACKNOWLEDGE THAT THEY HAVE READ AND UNDERSTAND THE PROVISIONS OF THIS SECTION 33, AND BY THEIR INITIALS IMMEDIATELY BELOW AGREE TO BE BOUND BY ITS TERMS.

Seller's initials

Buyer's initials

34. Seller's Pre-Closing Covenants: Seller covenant's as follows:

- a. Seller covenants that on or after the Effective Date, Seller will not enter into any lease or other agreement of any type affecting the Property that would survive the Closing Date, without Buyer's prior written consent.
- b. Through the Closing Date, Seller must maintain in full force and effect comprehensive liability casualty and other insurance on the Property in an amount equal to the full replacement cost of the improvements.
- c. Seller must maintain and keep the Property in good condition and repair, and Seller shall not make any material alterations to the Property without Buyer's prior written consent.

- d. Seller covenants not to permit any default, or to take any action or fail to take any action that could give rise to a default with the lapse of time or notice, under any existing loan secured by the Property or any other financing encumbering the Property.
35. Seller covenants to promptly notify Buyer of any change in any condition with respect to the Property or any event or circumstance that makes any representation or warranty of Seller untrue or misleading. Seller's Additional Representations and Warranties: In addition to the other representations and warranties made by Seller in this Agreement, Seller represents and warrants that each of the following is true as of the Effective Date and the Closing Date:
- a. Seller has good and marketable title to the Property. There are no unrecorded or undisclosed legal or equitable interests in the Property owned or claimed by any person or entity other than Seller. No person or entity will, at the Closing, have any right to possession of the Property, except as disclosed in writing to Buyer. No assessment lien or bond encumbers the Property.
 - b. Seller has received no notice of any currently pending or contemplated special assessment or proceedings to condemn or demolish the Property or any part of it or any proceeding to declare the Property or any part of it a nuisance.
 - c. The Property is not in violation of any federal, state or local law, ordinance, or regulation relating to Hazardous Substances (as such term is defined in the lease agreement between Buyer and Seller), and there are no Hazardous Substance Conditions (as such term is defined in the lease agreement between Buyer and Seller) under, in, on or affecting the Property, including but not limited to soil and groundwater conditions. Neither Seller nor any third party (including but not limited to Seller's predecessors in title to the Property) has used or installed any underground storage tanks, or used, generated, manufactured, treated, stored, placed, deposited, or released on, under, or about the Property any Hazardous Substances. Seller has no actual knowledge, except as otherwise disclosed to Buyer in writing, of the existence or prior existence on, under or about the Property of any Hazardous Material, other than de minimis amounts of household cleaners or office supplies.
36. **Counterparts.** This Agreement and any supplement, addendum, or modification, including any photocopy or facsimile, may be executed in two or more counterparts, all of which constitute the same writing. The parties hereto agree that mechanically reproduced facsimile signatures are treated the same as hand written signatures.
37. **Patriot Act.** In compliance with Executive Order 13224 and the USA Patriot Act of 2001, Buyer and Seller each affirmatively represents and warrants to the other that (a) neither it, nor any of its officers, directors, or principals, has committed or supported terrorist acts; or (b) neither it, nor any of its officers, directors, or principals is

identified on the list of Specially Designated Nations and Blocked Persons generated by the Office of Foreign Assets Control.

Buyer:

San Francisco Child Abuse Prevention
Center, a California nonprofit
corporation

By: _____

Name Printed: Katie Albright
Title: Executive Director

By: _____

Name Printed: Chris Keane
Title: Chair, Board of Directors

Dated: _____

Seller:

1238 Sutter Street, LLC, a California
limited liability company

By: _____

Name Printed:
Title:

Dated: _____

FIRST AMENDMENT TO LEASE

This **FIRST AMENDMENT TO LEASE** (this "**Amendment**"), dated as of 10.19.12, 2012, is made and entered into by and between **1238 SUTTER STREET LLC**, a California limited liability company ("**Lessor**"), and **SAN FRANCISCO CHILD ABUSE PREVENTION CENTER**, a California nonprofit corporation ("**Lessee**").

RECITALS

A. Lessor and Lessee are parties to that certain AIR Standard Multi-Tenant Office Lease – Gross, dated September 1, 2011, (the "**Original Lease**"), for the property commonly known as 3450 Third Street Units 2A and 2B, San Francisco, California 94117; and

B. Lessor and Lessee now desire to amend the Lease based on the following terms and conditions.

AGREEMENT

IN CONSIDERATION of the above recitals, the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Lessor and Lessee agree to amend the Lease as follows:

1. **Defined Terms.** All capitalized terms used herein but not specifically defined in this Amendment shall have the meanings ascribed to such terms in the Lease. The term "**Lease**" where used in the Original Lease and this Amendment shall hereafter refer to the Existing Lease as amended by this Amendment.

2. **Indemnity.** Section 8.7 of the Original Lease is hereby amended to add the following at the end of Section 8.7:

Lessor shall indemnify, protect, defend and hold harmless Lessee and its agents, partners, and Lessee's current or future subtenants (collectively, the "**Lessee Parties**"), from and against any and all claims, loss of rents and/or damages, out-of-pocket building and construction costs, liens, judgments, penalties, attorneys' and consultants' fees, expenses, liabilities, and/or other costs, arising out of or relating to any proceeding or action brought to enforce the restrictions on subleasing and/or the restrictions on use contained in that certain Amended and Restated Enabling Declaration (CC&R's) Establishing a Plan for Commercial Condominium Ownership of Bay Park, recorded in the Office of the San Francisco Assessor-Recorder as Document Number 2011-J325447-00, as the same may be amended from time to time (the "**CC&R's**"), including, but not limited to, the restrictions contained in Sections 5.1 and 6.3 of the CC&R's.

3. **Mid-Term Termination Right.** Section 53 of the Original Lease is hereby amended to add the following at the end of Section 53:

v. Mid-Term Termination Right. If Lessee exercises the Zoning Extension Term, at any time following the date that is four (4) years and seven (7) months following the Zoning Extension Commencement Date, Lessee shall have the option, on written notice to Lessor

(the "Mid-Term Termination Notice"), to terminate the Lease with respect to all of the Premises or Project, as applicable, for any reason. The termination shall be effective five (5) months after Lessee delivers the Mid-Term Termination Notice to Lessor (the "Mid-Term Termination Date"). Within 15 days of Lessee's delivery of the Mid-Term Termination Notice to Lessor, Lessor shall notify Lessee of the amount of the "Mid-Term Termination Fee," which shall be equal to (i) \$74,464.01 multiplied by the "Percentage of Zoning Extension Term Outstanding," which shall be equal to (x) the number of full months remaining in the Zoning Extension Term divided by (y) 120, plus (ii) an amount equal to the amount of rent abated during the first fourteen (14) months of the Zoning Extension Term pursuant to Section 53(d)(iv) (the "Abated Rent Amount") multiplied by the Percentage of Zoning Extension Term Outstanding.

4. **Restoration.** Exhibit A attached hereto is hereby added to the Lease as Exhibit A. The first sentence of Section 7.4(b) is deleted, and the following is inserted in lieu thereof:

Lessor shall not require the removal of any Alterations or Utility Installations that were made or installed pursuant to the building plans attached hereto as Exhibit A ("Approved Alterations").

5. **Expiration of Fixed Purchase Price.** The words "February 29, 2013" are deleted from Section 28(a) and Section 28(b) of the Option to Purchase, which was attached to and incorporated in the Original Lease, and the words "August 31, 2013" are inserted in lieu thereof.

6. **Addressing Existing Issues in Building.** Lessor agrees to replace the two HVAC units in need of replacement, and Lessor agrees to pay up to Fifteen Thousand Dollars (\$15,000.00) for the work required to upgrade the existing stair shafts throughout the building to the required 1-hour rating. Such work shall be done in consultation with Lessee's construction manager.

7. **Security Deposit.** If Lessee exercises the Expansion Option, the security deposit under the Lease shall increase to Eighteen Thousand Dollars (\$18,000.00) upon the delivery of the Expansion Space to Lessee.

8. **Broker Commissions.** The following is inserted into the Standard Offer, Agreement and Escrow Instructions for Purchase of Real Estate ("PSA"), which is attached to and made a part of the Original Lease, immediately following Section 7.2 of the PSA:

7.3 Buyer and Seller acknowledge that any commission that would otherwise be payable to Seller's Broker and Buyer's Broker as part of the sale of the Property shall be reduced by the unamortized leasing commission(s) already paid to Seller's Broker and Buyer's Broker, as applicable, pursuant to Buyer's lease of the Property from Seller.

9. **Legal Fees of Owners Association.** Lessor agrees to reimburse the Bay Park Owners Association ("Association"), in an amount not to exceed Six Thousand Dollars (\$6,000.00), for the legal fees and recording costs incurred by the Association in connection with the Lease.

10. **Invalidity of Provisions.** If any provision of this Amendment is found to be invalid or unenforceable by any court of competent jurisdiction, the invalidity or unenforceability of any such provision shall not affect the validity and enforceability of the remaining provisions hereof or of the Lease.

11. **Counterparts.** This Amendment may be executed in several counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument. A copy of this Amendment that is executed by a party and transmitted by that party to one or more other parties by facsimile or email shall be binding on the signatory to the same extent as a copy hereof containing the signing party's original signature

12. **Interpretation.** This Amendment shall not be construed against either Lessee or Lessor, regardless of the party who drafted this Amendment.

13. **Jurisdiction.** This Amendment shall be governed by and construed in accordance with the laws of the State of California.

14. **Successors and Assigns.** This Amendment shall inure to the benefit of, and be binding upon, the parties hereto and their respective successors and permitted assigns.

15. **Lease in Full Force and Effect.** Except as expressly provided herein, the Lease shall continue unmodified and in full force and effect.

[Signature Page Follows]

Dated: 10-19-2012, 2012

LESSOR:

1238 SUTTER STREET, LLC, A CALIFORNIA
LIMITED LIABILITY COMPANY

By: _____

Name Printed: Michael Ching

Title: Member

Dated: 10/25/2012, 2012

LESSEE:

SAN FRANCISCO CHILD ABUSE PREVENTION
CENTER, A CALIFORNIA NONPROFIT
CORPORATION

By: _____

Name Printed: Katie Albright

Title: Executive Director

By: _____

Name Printed: Shannon Thyne, M.D.

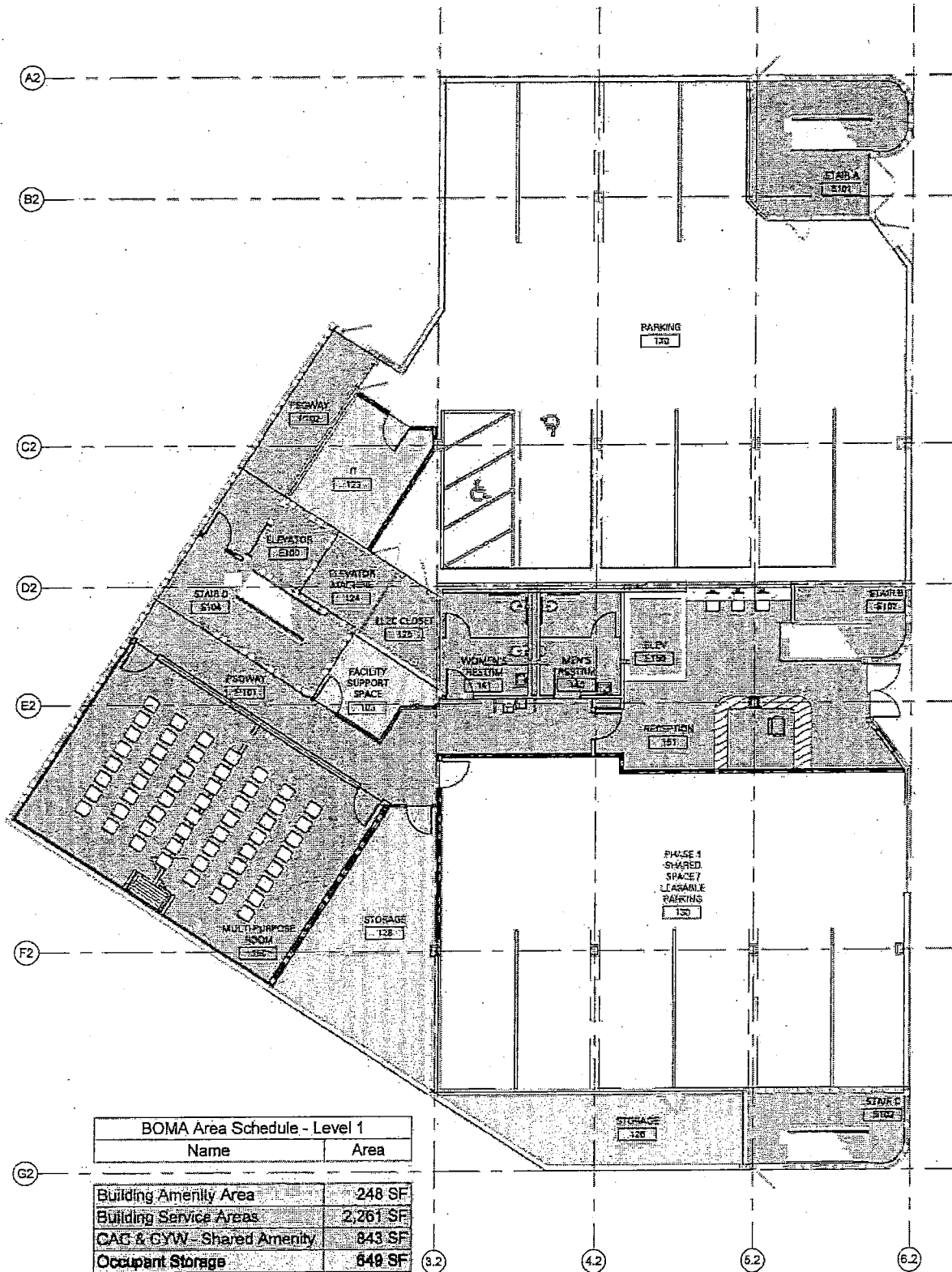
Title: Chair, Board of Directors

EXHIBIT A

TENANT IMPROVEMENT PLANS

[TO BE ATTACHED]

101364838.8



BOMA Area Schedule - Level 1	
Name	Area
Building Amenity Area	248 SF
Building Service Areas	2,261 SF
CAC & CYW - Shared Amenity	843 SF
Occupant Storage	649 SF
Parking Gross	4,790 SF
	8,792 SF

0' 5' 10' 15' 20' 30'

SCALE: 3/32" = 1'-0"

3450 3RD STREET

Level 1 Area Plan

Reviewed By _____

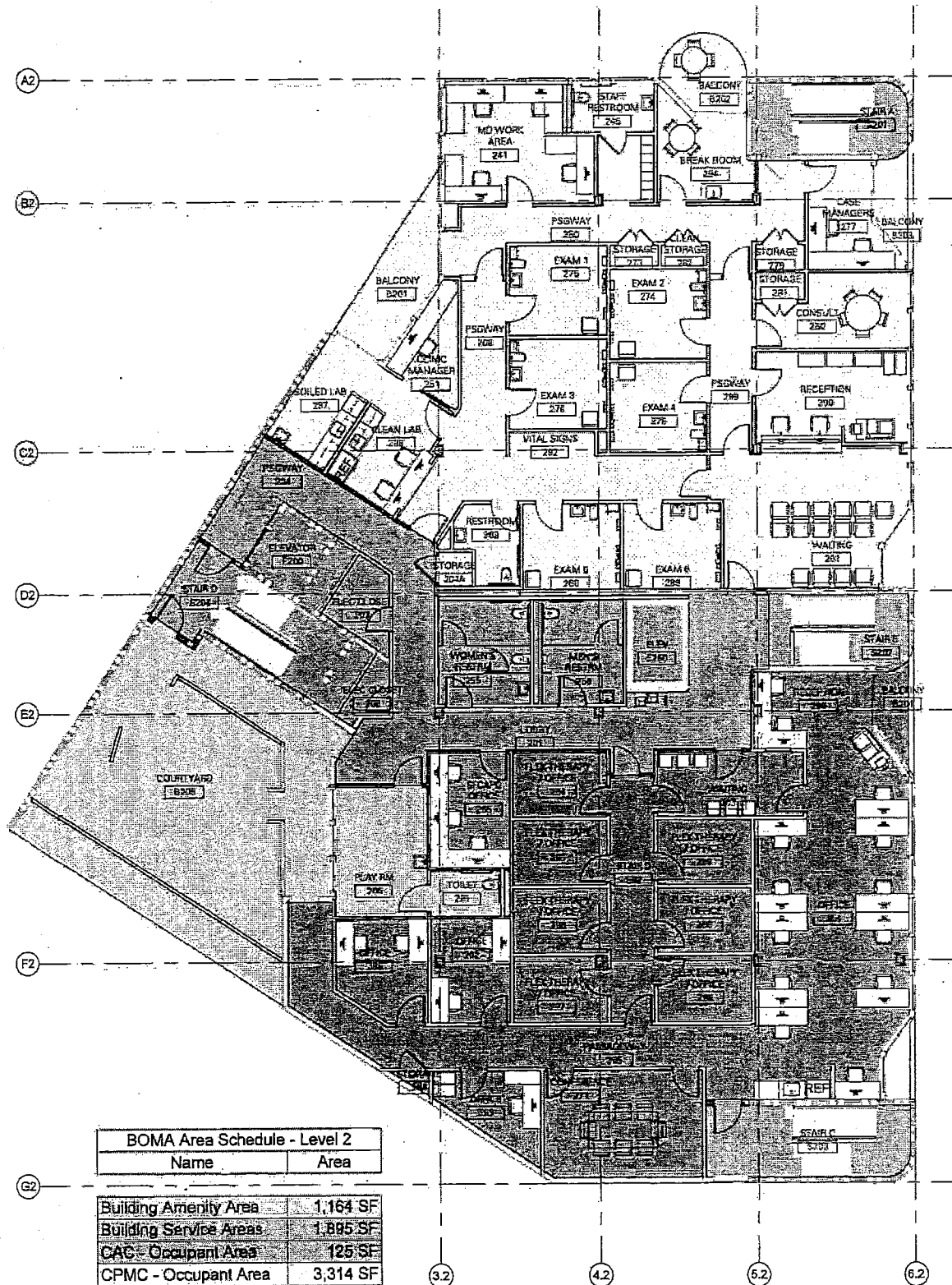
Signed _____

Date _____

ASK 1.11a

TOM ELIOT FISCH

09/28/12



BOMA Area Schedule - Level 2

Name	Area
------	------

Building Amenity Area	1,164 SF
Building Service Areas	1,895 SF
CAC - Occupant Area	125 SF
CPMC - Occupant Area	3,314 SF
CWW - Occupant Area	2,538 SF
	9,036 SF



SCALE: 3/32" = 1'-0"

3450 3RD STREET

Level 2 Area Plan

Reviewed By _____

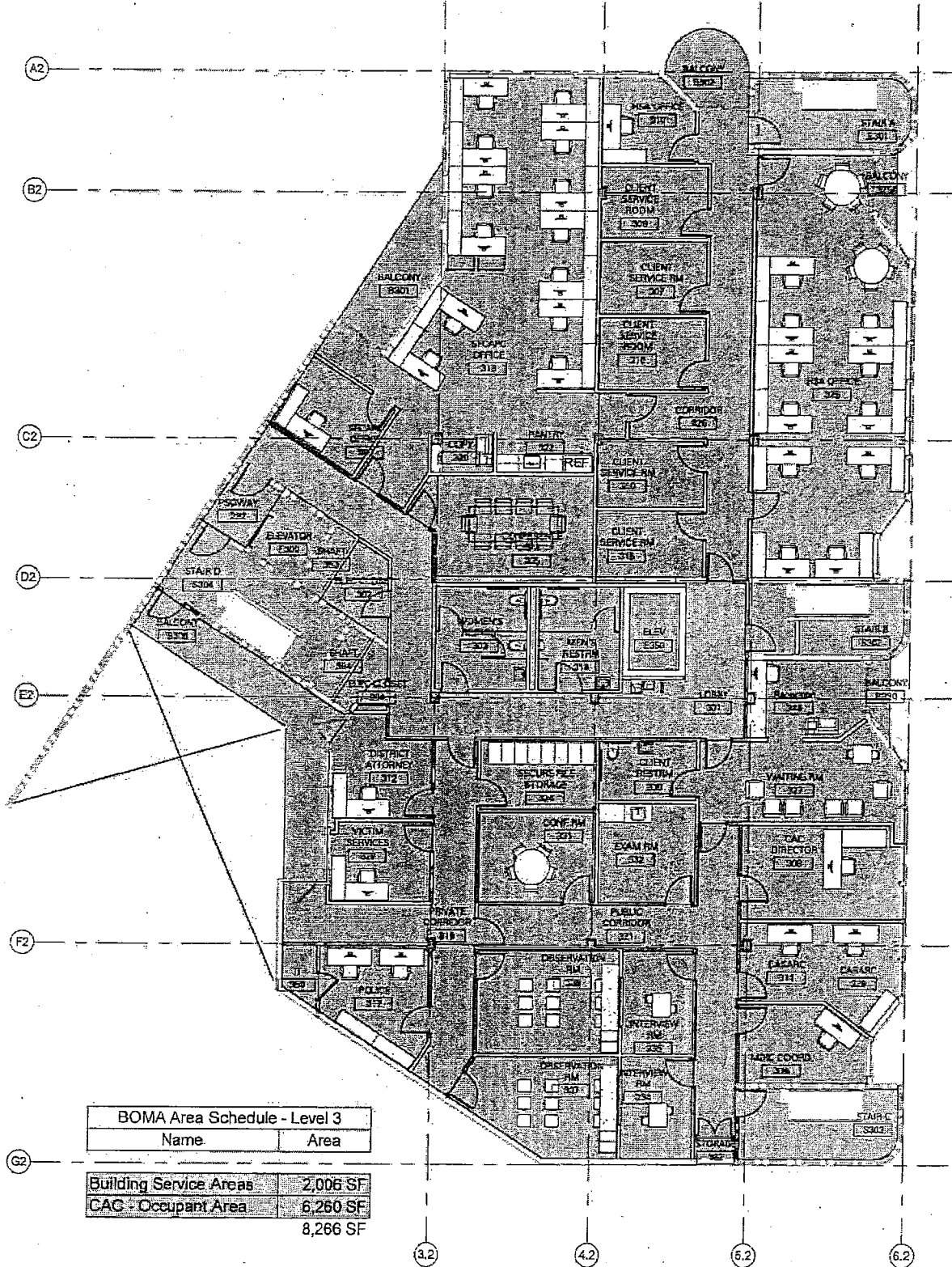
Signed _____

Date _____

ASK 1.11b

TOM ELIOT FISCH

09/28/12



0' 5' 10' 15' 20' 30'

SCALE: 3/32" = 1'-0"

3450 3RD STREET

Level 3 Area Plan

Reviewed By _____

Signed _____

Date _____

ASK 1.11c

TOM ELIOT FISCH

09/28/12

SECOND AMENDMENT TO LEASE

12/13 This SECOND AMENDMENT TO LEASE (this "Amendment"), dated as of 2012, is made and entered into by and between 1238 SUTTER STREET LLC, a California limited liability company ("Lessor"), and SAN FRANCISCO CHILD ABUSE PREVENTION CENTER, a California nonprofit corporation ("Lessee").

RECITALS

A. Lessor and Lessee are parties to that certain AIR Standard Multi-Tenant Office Lease – Gross, dated September 1, 2011, as amended by that certain First Amendment to Lease, dated as of October 19, 2012, (the "Existing Lease") for the property commonly known as 3450 Third Street Units 2A and 2B, San Francisco, California 94117; and

B. Lessor and Lessee now desire to amend the Lease based on the following terms and conditions.

AGREEMENT

IN CONSIDERATION of the above recitals, the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Lessor and Lessee agree to amend the Lease as follows:

1. **Defined Terms.** All capitalized terms used herein but not specifically defined in this Amendment shall have the meanings ascribed to such terms in the Lease. The term "Lease" where used in the Existing Lease and this Amendment shall hereafter refer to the Existing Lease as amended by this Amendment.

2. **Commencement of Zoning Extension Term.** The second sentence of Section 53(d)(iv) is hereby deleted and the following sentence is inserted in lieu thereof:

Lessee shall provide Lessor with written notice (the "Zoning Extension Notice") of its exercise of the Zoning Extension, and the Zoning Extension Term shall commence on the day Lessor receives the Zoning Extension Notice from Lessee (the "Zoning Extension Commencement Date").

3. **Rent if Expansion Space Not Delivered by Start of Zoning Extension Term.** The text of Section 53(d)(iv)(a) is hereby deleted and the following is inserted in lieu thereof:

Rent during the Zoning Extension Term. Commencing on the Zoning Extension Commencement Date, Base Rent during the Zoning Extension Term shall be Eighteen Thousand and no/100 Dollars (\$18,000.00) per month (prorated for any partial months), plus reimbursement of Lessor of the cost of HOA Dues (prorated for any partial months); *provided, however*, that if the First Offer Space or Expansion Space, as applicable, has not been delivered to Lessee, Base Rent during the Zoning Extension Term shall be Thirteen Thousand Five Hundred and no/100 Dollars (\$13,500.00) per month (prorated for any partial months), subject to increase upon delivery of the First Offer Space or Expansion Space, as applicable, pursuant to Section 54(f)(ii) or Section 55(d), as

applicable, plus reimbursement of Lessor of the cost of HOA Dues (prorated for any partial months).

4. **Invalidity of Provisions.** If any provision of this Amendment is found to be invalid or unenforceable by any court of competent jurisdiction, the invalidity or unenforceability of any such provision shall not affect the validity and enforceability of the remaining provisions hereof or of the Lease.

5. **Counterparts.** This Amendment may be executed in several counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument. A copy of this Amendment that is executed by a party and transmitted by that party to one or more other parties by facsimile or email shall be binding on the signatory to the same extent as a copy hereof containing the signing party's original signature

6. **Interpretation.** This Amendment shall not be construed against either Lessee or Lessor, regardless of the party who drafted this Amendment.

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

8. **Successors and Assigns.** This Amendment shall inure to the benefit of, and be binding upon, the parties hereto and their respective successors and permitted assigns.

9. **Lease in Full Force and Effect.** Except as expressly provided herein, the Lease shall continue unmodified and in full force and effect.

[Signature Page Follows]

Dated: Feb 28th, 2013

LESSOR:

1238 SUTTER STREET, LLC, A CALIFORNIA
LIMITED LIABILITY COMPANY

By: 

Name Printed: Michael Ching
Title: Member

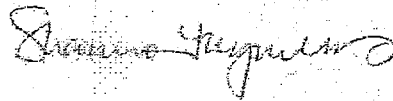
Dated: _____, 2013

LESSEE:

SAN FRANCISCO CHILD ABUSE PREVENTION
CENTER, A CALIFORNIA NONPROFIT
CORPORATION

By: 

Name Printed: Katie Albright
Title: Executive Director



By: _____

Name Printed: Shannon Thyne, M.D.
Title: Chair, Board of Directors

instrument. A copy of this Amendment that is executed by a party and transmitted by that party to one or more other parties by facsimile or email shall be binding on the signatory to the same extent as a copy hereof containing the signing party's original signature

6. **Interpretation.** This Amendment shall not be construed against either Lessee or Lessor, regardless of the party who drafted this Amendment.

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

8. **Successors and Assigns.** This Amendment shall inure to the benefit of, and be binding upon, the parties hereto and their respective successors and permitted assigns.

9. **Lease in Full Force and Effect.** Except as expressly provided herein, the Lease shall continue unmodified and in full force and effect.

[Signature Page Follows]

THIRD AMENDMENT TO LEASE

This **THIRD AMENDMENT TO LEASE** (this "Amendment"), dated as of 228.13, 2013, is made and entered into by and between **1238 SUTTER STREET LLC**, a California limited liability company ("Lessor"), and **SAN FRANCISCO CHILD ABUSE PREVENTION CENTER**, a California nonprofit corporation ("Lessee").

RECITALS

A. Lessor and Lessee are parties to that certain AIR Standard Multi-Tenant Office Lease – Gross, dated September 1, 2011, as amended by that certain First Amendment to Lease, dated as of October 19, 2012, and that certain Second Amendment to Lease, dated as of December 13, 2012, (the "Existing Lease") for the property commonly known as 3450 Third Street Units 2A and 2B, San Francisco, California 94117; and

B. Lessor and Lessee desire to change the duration of the Original Term under the Lease from eighteen (18) months to nineteen (19) months; and

B. Lessor and Lessee now desire to amend the Lease based on the following terms and conditions.

AGREEMENT

IN CONSIDERATION of the above recitals, the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Lessor and Lessee agree to amend the Lease as follows:

1. **Defined Terms.** All capitalized terms used herein but not specifically defined in this Amendment shall have the meanings ascribed to such terms in the Lease. The term "Lease" where used in the Existing Lease and this Amendment shall hereafter refer to the Existing Lease as amended by this Amendment.

2. **Duration of Original Term.** The first sentence of Section 1.3 is hereby deleted and the following is inserted in lieu thereof:

Term: 1 year and 7 months ("Original Term") commencing September 1, 2011 ("Commencement Date") and ending March 31, 2013 ("Expiration Date").

3. **Reference to Length of Original Term.** The words "Original 18 month term" are hereby deleted from the first sentence of Section 53(a) and the words "Original 19-month term" are inserted in lieu thereof.

4. **Invalidity of Provisions.** If any provision of this Amendment is found to be invalid or unenforceable by any court of competent jurisdiction, the invalidity or unenforceability of any such provision shall not affect the validity and enforceability of the remaining provisions hereof or of the Lease.

5. **Counterparts.** This Amendment may be executed in several counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same

Dated: 12/18, 2012

LESSOR:

1238 SUTTER STREET, LLC, A CALIFORNIA
LIMITED LIABILITY COMPANY

By: [Signature]

Name Printed: Michael Ching
Title: Member

Dated: 1/10/, ~~2012~~ 2013

LESSEE:

SAN FRANCISCO CHILD ABUSE PREVENTION
CENTER, A CALIFORNIA NONPROFIT
CORPORATION

By: Katie Albright

Name Printed: Katie Albright
Title: Executive Director

By: Shannon Thyne

Name Printed: Shannon Thyne, M.D.
Title: Chair, Board of Directors

FOURTH AMENDMENT TO LEASE

This **FOURTH AMENDMENT TO LEASE** (this "**Amendment**"), dated as of March 27, 2013, is made and entered into by and between **1238 SUTTER STREET LLC**, a California limited liability company ("**Lessor**"), and **SAN FRANCISCO CHILD ABUSE PREVENTION CENTER**, a California nonprofit corporation ("**Lessee**").

RECITALS

A. Lessor and Lessee are parties to that certain AIR Standard Multi-Tenant Office Lease – Gross, dated September 1, 2011, as amended by that certain First Amendment to Lease, dated as of October 19, 2012, that certain Second Amendment to Lease, dated as of December 13, 2012, and that certain Third Amendment to Lease, dated as of February 28, 2013 (the "**Existing Lease**") for the property commonly known as 3450 Third Street Units 2A and 2B, San Francisco, California 94117; and

B. Lessor and Lessee now desire to amend the Lease based on the following terms and conditions.

AGREEMENT

IN CONSIDERATION of the above recitals, the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Lessor and Lessee agree to amend the Lease as follows:

1. **Defined Terms.** All capitalized terms used herein but not specifically defined in this Amendment shall have the meanings ascribed to such terms in the Lease. The term "**Lease**" where used in the Existing Lease and this Amendment shall hereafter refer to the Existing Lease as amended by this Amendment.

2. **Zoning Termination Right.** Section 53 of the Lease is hereby amended to add the following at the end of Section 53:

vii. **Permit Reversal Termination Option.** Lessee may terminate this Lease (the "**Permit Reversal Termination Option**"), with such termination to be effective on the "**Permit Reversal Termination Date**", which shall be the date that is three (3) months after the day Lessee provides written notice to Lessor of its desire to exercise the Permit Reversal Termination Option (the "**Permit Reversal Termination Exercise Date**"), provided the following conditions are satisfied: (i) on or prior to April 1, 2014 (the "**Permit Reversal Outside Date**") a Permit Reversal (as defined below) occurs, (ii) prior to the Permit Reversal Termination Date, Lessee shall have completed either (x) the tenant improvements depicted in Exhibit A or (y) such tenant improvements directed by and at the sole discretion of Lessor, provided, however, that such directed improvements do not exceed the original proposed budgetary costs and timing for completing the tenant improvements depicted in Exhibit A, (iii) Lessee removes all or any part of any Lessee Owned Alterations or Utility Installations made without the required consent of Lessor ("**Unapproved Alterations**") that Lessor wants removed, provided that Lessor shall not require the removal of any of the Approved Alterations, (iv) Lessee pays to Lessor, on or before the Permit Reversal Termination Date, an amount equal to the amount of

unamortized broker fees that have already been paid by Lessor to the Brokers as of the Permit Reversal Termination Exercise Date; *provided, however*, that the amount due from Lessee for such fees shall not exceed \$74,464.01 multiplied by the Percentage of Zoning Extension Term Outstanding as of the Permit Reversal Termination Date, and (v) Lessee pays to Lessor an amount equal to the amount of rent abated, if any, during the first fourteen (14) months of the Zoning Extension Term pursuant to Section 53(d)(iv) multiplied by the Percentage of Zoning Extension Term Outstanding as of the Permit Reversal Termination Date.

a. A "Permit Reversal" means that one or both of the following occurs: (i) an Issued Permit (as defined below) is appealed to the San Francisco Board of Appeals ("Board of Appeals") on or before March 28, 2013, and the Board of Appeals finds that the Issued Permit was issued in error; or (ii) the Categorical Exemption from CEQA is appealed to the San Francisco Board of Supervisors ("Board of Supervisors") on or before May 27, 2013 and the Board of Supervisors reverses the San Francisco Planning Department issuance of the Categorical Exemption on the grounds that the Categorical Exemption was issued in violation of CEQA. The term "Issued Permits" shall mean, collectively, that certain Permit No. 201212136169 issued by the City and County of San Francisco Department of Building Inspection on March 12, 2013 and that certain Permit No. 201212136171 issued by the City and County of San Francisco Department of Building Inspection on March 12, 2013 (each, an "Issued Permit").

3. **Invalidity of Provisions.** If any provision of this Amendment is found to be invalid or unenforceable by any court of competent jurisdiction, the invalidity or unenforceability of any such provision shall not affect the validity and enforceability of the remaining provisions hereof or of the Lease.

4. **Counterparts.** This Amendment may be executed in several counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument. A copy of this Amendment that is executed by a party and transmitted by that party to one or more other parties by facsimile or email shall be binding on the signatory to the same extent as a copy hereof containing the signing party's original signature

5. **Interpretation.** This Amendment shall not be construed against either Lessee or Lessor, regardless of the party who drafted this Amendment.

6. **Jurisdiction.** This Amendment shall be governed by and construed in accordance with the laws of the State of California.

7. **Successors and Assigns.** This Amendment shall inure to the benefit of, and be binding upon, the parties hereto and their respective successors and permitted assigns.

8. **Lease in Full Force and Effect.** Except as expressly provided herein, the Lease shall continue unmodified and in full force and effect.

[Signature Page Follows]

Dated: _____, 2013

LESSOR:

1238 SUTTER STREET, LLC, A CALIFORNIA
LIMITED LIABILITY COMPANY

By: _____
Name Printed: Michael Ching
Title: Member

Dated: March 27th, 2013

LESSEE:

SAN FRANCISCO CHILD ABUSE PREVENTION
CENTER, A CALIFORNIA NONPROFIT
CORPORATION

By: 
Name Printed: Katie Albright
Title: Executive Director

By: _____
Name Printed: Shannon Thyne, M.D.
Title: Chair, Board of Directors

Dated: _____, 2013

LESSOR:

1238 SUTTER STREET, LLC, A CALIFORNIA
LIMITED LIABILITY COMPANY

By: _____
Name Printed: Michael Ching
Title: Member

Dated: March 27, 2013

LESSEE:

SAN FRANCISCO CHILD ABUSE PREVENTION
CENTER, A CALIFORNIA NONPROFIT
CORPORATION

By: _____
Name Printed: Katie Albright
Title: Executive Director

By: Shannon Thyne
Name Printed: Shannon Thyne, M.D.
Title: Chair, Board of Directors

Dated: March 27th, 2013

LESSOR:

1238 SUTTER STREET, LLC, A CALIFORNIA
LIMITED LIABILITY COMPANY

By: _____

Name Printed: Michael Ching
Title: Member

Dated: March 27th, 2013

LESSEE:

SAN FRANCISCO CHILD ABUSE PREVENTION
CENTER, A CALIFORNIA NONPROFIT
CORPORATION

By: _____

Name Printed: Katie Albright
Title: Executive Director

By: _____

Name Printed: Shannon Thyne, M.D.
Title: Chair, Board of Directors

This **FIFTH AMENDMENT TO LEASE** (this "Amendment"), dated as of September 1, 2013, is made and entered into by and between **1238 SUTTER STREET LLC**, a California limited liability company ("Lessor"), and **SAN FRANCISCO CHILD ABUSE PREVENTION CENTER**, a California nonprofit corporation ("Lessee").

RECITALS

A. Lessor and Lessee are parties to that certain AIR Standard Multi-Tenant Office Lease – Gross, dated September 1, 2011, as amended by that certain First Amendment to Lease, dated as of October 19, 2012 (the "First Amendment"), that certain Second Amendment to Lease, dated as of December 13, 2012, that certain Third Amendment to Lease, dated as of February 28, 2013, and that certain Fourth Amendment to Lease, dated as of March 27, 2013 (the "Existing Lease") for the property commonly known as 3450 Third Street Units 2A and 2B, San Francisco, California 94117; and

B. Lessor and Lessee now desire to amend the Lease based on the following terms and conditions.

AGREEMENT

IN CONSIDERATION of the above recitals, the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Lessor and Lessee agree to amend the Lease as follows:

1. **Defined Terms.** All capitalized terms used herein but not specifically defined in this Amendment shall have the meanings ascribed to such terms in the Lease. The term "Lease" where used in the Existing Lease and this Amendment shall hereafter refer to the Existing Lease as amended by this Amendment.

2. **Addressing Existing Issues in Building.**

2.1 Lessor agrees to pay \$215,518.00 (the "Supplemental Safety Amount") for the installation of fire sprinklers at the Project in substantial conformance with the work described in Exhibit A item "Billing #A" (the "Fire Sprinkler System Work"). Any portion of the Supplemental Safety Amount that is remaining after the Fire Sprinkler System Work has been paid for may be used to pay for the work described in Exhibit A item "Billing #B" (the "Structural Work"), Exhibit A item "Billing #F" (the "Sewage Work"), and Exhibit A item "Billing #E" (the "Waterproofing Work"). Lessor agrees to pay the Supplemental Safety Amount within thirty (30) calendar days of the execution of this Amendment.

2.2 Section 6 of the First Amendment is hereby amended and restated as follows:

6. **Addressing Existing Issues in Building.** Lessor agrees to replace the two HVAC units in need of replacement, and Lessor agrees to pay Fifteen Thousand Dollars (\$15,000.00) (the "First Amendment Safety Amount") for the work

ERROR! NO PROPERTY NAME SUPPLIED.

required 1-Hour Rating (the "1-Hour Fire Rating Work"), which work is further described in Form "Billing #C" in Exhibit A attached to that certain Fifth Amendment to Lease, dated as of September 7, 2010, by and between Lessor and Lessee (the "Fifth Amendment").

2.3 The Supplemental Safety Amount and First Amendment Safety Amount are collectively referred to herein as the "Additional Amounts." The Fire Sprinkler System Work, Structural Work, Sewage Work, Waterproofing Work, and 1-Hour Fire Rating Work are collectively referred to herein as the "Remedial Work." All Plant Construction Billing documents for the Remedial Work are attached hereto as Exhibit A.

2.4 Recovery of Damages. In the event Lessor is able to recover damages, a settlement payment, and/or any other sum ("Damages") from any party or parties, including, without limitation, the general contractor for the original construction of the Project, the original owner(s) of the Project, and/or any other previous owner(s) of the Project, for the deficiencies in the Project, Lessor shall pay to Lessee 5% of the following: the Damages obtained less any attorney's fees incurred on behalf of Lessor in connection with obtaining the Damages. Such amount to be paid to Lessee shall be known as the "Lessee's Share of Damages Award".

2.5 Reimbursement from HOA. In the event Lessor is able to obtain any reimbursement from the Bay Park Owners Association for any of the Remedial Work, all such reimbursement amounts (the "HOA Reimbursement") shall be paid to Lessee. The sum of the Additional Amounts, Lessee's Share of Damages Award, and HOA Reimbursement shall be known as the "Payments to Lessee."

2.6 Abatement of Rent. In the event the costs of the Remedial Work exceed the Payments to Lessee, the Base Rent due from Lessee during the fifth year and tenth year of the Zoning Extension Term shall be abated by the amount by which the costs of the Remedial Work exceed the Payments to Lessee (the "Outstanding Safety Amount"). The abatement in rent shall be allocated evenly to the last monthly Base Rent payment due from Lessee during the fifth year of the Zoning Extension Term and the last monthly Base Rent payment due from Lessee during the tenth year of the Zoning Extension Term.

2.7 In the event the Payments to Lessee exceed the costs of the Remedial Work, the amount by which the Payments to Lessee exceed the costs of the Remedial Work shall be allocated to Lessee to pay for the tenant improvements at the Project.

2.8 Manner of Work. Lessee shall select the contractors and subcontractors to perform the Remedial Work. Lessee shall provide an accounting of the use of the Additional Amounts following the completion of the Remedial Work, provided that Lessor acknowledges and agrees (i) that such accounting is being provided for information purposes only and (ii) that Lessor shall have no right to contest the manner in which the Additional Amounts were used to pay for the Remedial Work.

directly to Lessee, or, at Lessee's election, any such amount of any payment to Lessee shall be paid directly to Plant Construction pursuant to invoice(s) from Plant Construction provided to Lessor by Lessee.

2.10 Lessor acknowledges and agrees that notwithstanding anything in this Amendment, Lessee has not waived any rights Lessee has under the Lease, including, without limitation, its rights with respect to any other issues discovered in the Project.

3. **Exterior Parking.** The parties acknowledge that Lessee has been renting three (3) parking spaces located outside of the Project (the "Exterior Parking Spaces"). Lessor agrees to continue to rent the Exterior Parking Spaces to Lessee at a monthly rental rate of \$50 per space (the "Exterior Parking Rental Rate") until the expiration or earlier termination of the Lease.

4. **Invalidity of Provisions.** If any provision of this Amendment is found to be invalid or unenforceable by any court of competent jurisdiction, the invalidity or unenforceability of any such provision shall not affect the validity and enforceability of the remaining provisions hereof or of the Lease.

5. **Counterparts.** This Amendment may be executed in several counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument. A copy of this Amendment that is executed by a party and transmitted by that party to one or more other parties by facsimile or email shall be binding on the signatory to the same extent as a copy hereof containing the signing party's original signature.

6. **Interpretation.** This Amendment shall not be construed against either Lessee or Lessor, regardless of the party who drafted this Amendment.

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

8. **Successors and Assigns.** This Amendment shall inure to the benefit of, and be binding upon, the parties hereto and their respective successors and permitted assigns.

9. **Lease in Full Force and Effect.** Except as expressly provided herein, the Lease shall continue unmodified and in full force and effect.

[Signature Page Follows]

Dated: Sept 7th, 2013

LESSOR:

1238 SUTTER STREET, LLC, A CALIFORNIA
LIMITED LIABILITY COMPANY

By: _____

Name Printed: Michael Ching

Title: Member

Dated: Sept. 7th, 2013

LESSEE:

SAN FRANCISCO CHILD ABUSE PREVENTION
CENTER, A CALIFORNIA NONPROFIT
CORPORATION

By: _____

Name Printed: Katie Albright

Title: Executive Director

By: _____

Name Printed: Shannon Thyne, M.D.

Title: Chair, Board of Directors

(Signature Page to Fifth Amendment to Lease)

Plant Construction Billing Documents for the Remedial Work

[Attached]

The Finest Construction Services - Efficient - Performed - Delivered on Schedule
300 Newhall Street, San Francisco, California 94124 . (415) 285-0500 . FAX (415) 550-1357
California State Contractor's License Number 830764

INVOICE

IN ACCOUNT WITH

Michael Ching
1238 Sutter Street
San Francisco, CA 94109

INVOICE NO. 2010100-PB#06A
DATE 08/31/2013

PROJECT 2010100 (CN0388)
SF Child Abuse Prevention Center
3450 3rd Street, SF, CA

Please remit to:
PLANT CONSTRUCTION COMPANY, L.P.
300 Newhall Street
San Francisco, California 94124

Billing #A

This invoice is for sprinklers/fire protection at the San Francisco Child Abuse Prevention Center (SFCAPC), 3450 3rd Street, San Francisco, CA. Further details are in the attached Change Request #50.

Total Amount Due per attached Change Request #50

\$209,028.00

cc: Katie Albright

If you have any questions regarding this invoice, please contact Conrado Velve or Tony Herlambang at (415) 285-0500.

Invoices are due and payable immediately when rendered and become delinquent 20 days thereafter. All cost of collection and also interest will be charged on delinquent accounts at a rate equal to the discount rate of the Federal Reserve Bank of San Francisco plus 5% of the principal amount. This rate shall be adjusted every 30 days according to the then current discount rate, but not to exceed the maximum legal rate.

State Law requires the following notice on Contractors' Invoices: "Under the Mechanics' Lien Law (California Code of Civil Procedure, Section 1181 et seq.), any contractor, subcontractor, laborer, supplier or other person who helps to improve your property but is not paid for his work or supplies, has the right to enforce a claim against your property. This means that, after a court hearing, your property could be sold by a court officer and the proceeds of the sales used to satisfy the indebtedness. This can happen even if you have paid your own contractor in full, if the subcontractor, laborer, or supplier remains unpaid."

①



CHANGE REQUEST #50

PLANT CONSTRUCTION COMPANY, L.P.
300 NEWHALL STREET
SAN FRANCISCO, CA 94124
TEL. 415.285.0500 FAX 415.530.1337
LICENSE NUMBER 830764
www.plantconstructioncompany.com

DATE June 07, 2013

TO SF Child Abuse Prevention Ctr
c/o The Albert Group, Inc.
Attn: Bruce Albert
220 Montgomery St., Suite 498
San Francisco, CA 94104

FROM Kacie Young
Plant Construction Company, LP

RE 3450 3rd Street
3450 Third Street
San Francisco, CA
Project No. 2010100

SCOPE OF WORK

Provide all new fire sprinkler system for coverage throughout occupied areas

Due to discovery of inadequate fire rated construction (contrary to stated Building Type), a Client request has been made to add fire sprinkler coverage throughout occupied areas. Given current state of construction activities: 75% of above ceiling electrical, ductwork, and plumbing in place; ceiling grid ~40% in place; ~30% of walls in place > this requires near complete job-wide slow down to wait for new approval/design/fabrication/installation of above ceiling sprinklers distribution.

Work includes provisions for:

- Schedule extension
- ceiling grid repair work (incl take down in congested areas to allow sway brace installations + trade damage)
- drywall relocations (take down framing and reinstall in congested areas)
- plaster cut + patch for new pipes at exterior overhangs + soffits
- insulation to make 22" TGI's conform to depth limits for NFPA upturn coverage
- minor elect relocations to allow layout coordination
- minor HVAC relocations to allow layout coordination
- plumbing impact from (1) added drain at new main valve assembly
- elect impact from (1) added FA module at new main valve assembly
- added concrete cut + patch for new underground service (assumed at sidewalk in front of Unit 2)
- minor floor/wall coring and fireproofing along riser routing

See attached Bid including:

- Fire sprinkler design / engineering / hydraulic calcs / permitting conforming to NFPA
- Fire sprinkler main service feeder into Unit 2 (underground) assuming POC at ~current domestic meter location
- Fire sprinkler installation w/complete new main riser valve, drain, flow-tamper switch, backflow preventer assembly.
- Fire sprinkler coverage at occupied ground floor areas (reuse [e]parking area distribution) including new Lobby, Multipurpose Rm, and common areas. Up/down heads for joist bays.
- Fire sprinkler coverage at occupied 2d & 3d floor areas including office areas, common areas, outside exit-path areas and deep overhangs, stairwells. Up/down heads for joist bays.

Note: assumes the installed ceiling grid will NOT need to be taken down, The Ceiling, drywall, electrical, HVAC, plumbing and concrete are informed estimated cost impacts- we will own the final pricing risk.

- continued -

Excludes: DPW-Water Dept fees for new service from 3d Street. Separate building risers or isolated systems (units 1 & 2). Overtime or schedule acceleration.

PHASE CODE	DESCRIPTION	LABOR	MATERIAL	EQUIPMENT	SUBCONTRACT	OTHER	PRICE
011001	Project Management (+3w estimated)	8,500					8,500
011047	Site supervision (+3w estimated)	10,000					10,000
011300	Layout coordination: all trades	1,000			2,500		3,500
024110	Plaster demolition for coverage @soffit areas	300					300
024120	Concrete demo for new trenching				800		800
033100	Concrete slab patch				1,200		1,200
072010	Insulation in TGI bays to meet fire code	500	750				1,250
092116	Drywall framing relocations for layout coordination				1,000		1,000
092116	Patch penetrations for new outdoor heads and basement up-mounted heads				1,500		1,500
095100	Acoustical Ceiling: grid relocations for layout coordination				1,000		1,000
099100	Painting- Paint Exterior Stucco to match existing				500		500
211300	Fire Protection: Design-build sprinkler system, complete: bid				160,000		160,000
220050	Plumbing: (1) added indirect drain at new riser valve assembly (incl underground piping to sanitary sewer)				6,000		6,000
230050	HVAC: Above ceiling relocations for layout coordination				1,000		1,000
260050	Electrical: (1) added Fire Alarm module at new riser valve assembly				1,000		1,000
260050	Electrical: Above ceiling relocations for layout coordination				1,000		1,000
310050	Excavation +backfill for trench at sidewalk (assumes ~1' below domestic main) and new drain connection to sanitary sewer				850		850

- continued -

3

PHASE CODE	DESCRIPTION	LABOR	MATERIAL	EQUIPMENT	SUBCONTRACT	OTHER	PRICE
900900	Contingency					3,500	3,500
SUBTOTAL							202,900
					Insurance	1.00%	2,029
					Contractor Fee	2.00%	4,099
TOTAL							209,028

The Contract Time will be increased by 15 days.

We are not proceeding with this work. If you wish us to proceed, please sign and return one copy of this request for change order for our records. Upon receipt, a change order will be issued.

If you have any questions, please contact me at (415)285-0500.

Cc: Calacal, Robert (Plant Const Co L.P.), Velive, Conrado (Plant Const Co L.P.)

APPROVED BY
SF Child Abuse Prevention Ctr

(Signature) (Date)

(Printed Name)

Please sign and return Original to PLANT CONSTRUCTION COMPANY, L.P.

④

The Finest Construction Services - Efficient - Performed - Delivered on Schedule
300 Newhall Street, San Francisco, California 94124 . (415) 285-0500 . FAX (415) 550-1357
California State Contractor's License Number 830764

INVOICE

IN ACCOUNT WITH

Michael Ching
1238 Sutter Street
San Francisco, CA 94109

INVOICE NO. 2010100-PB#06B
DATE 08/31/2013

PROJECT 2010100 (CN0388)
SF Child Abuse Prevention Center
3450 3rd Street, SF, CA

Please remit to:
PLANT CONSTRUCTION COMPANY, L.P.
300 Newhall Street
San Francisco, California 94124

Billing #B

This invoice is for structural issues on all three floors at the San Francisco Child Abuse Prevention Center (SFCAPC), 3450 3rd Street, San Francisco, CA. Further details are in the attached Change Request #34.

Total Amount Due per attached Change Request #34

\$19,909.00

cc: Katie Albright

If you have any questions regarding this invoice, please contact Conrado Velve or Tony Herlambang at (415) 285-0500.

Invoices are due and payable immediately when rendered and become delinquent 20 days thereafter. All cost of collection and also interest will be charged on delinquent accounts at a rate equal to the discount rate of the Federal Reserve Bank of San Francisco plus 5% of the principal amount. This rate shall be adjusted every 30 days according to the then current discount rate, but not to exceed the maximum legal rate.

State Law requires the following notice on Contractors' Invoices: "Under the Mechanics' Lien Law (California Code of Civil Procedure, Section 1181 et seq.), any contractor, subcontractor, laborer, supplier or other person who helps to improve your property but is not paid for his work or supplies, has the right to enforce a claim against your property. This means that, after a court hearing, your property could be sold by a court officer and the proceeds of the sales used to satisfy the indebtedness. This can happen even if you have paid your own contractor in full, if the subcontractor, laborer, or supplier remains unpaid."

⑤



CHANGE REQUEST #34

PLANT CONSTRUCTION COMPANY, LP
300 NEWHALL STREET
SAN FRANCISCO, CA 94124
TEL 415.385.9100 FAX 415.310.1357
LICENSE NUMBER #30261
www.plantconstructioncompany.com

DATE May 29, 2013

TO SF Child Abuse Prevention Ctr
c/o The Albert Group, Inc.
Attn: Bruce Albert
220 Montgomery St., Suite 498
San Francisco, CA 94104

FROM Kacie Young
Plant Construction Company, LP

RE 3450 3rd Street
3450 Third Street
San Francisco, CA
Project No. 2010100

SCOPE OF WORK

Structural Issues on all Three Floors- E2/2.6

Install a new 6 x 6 post support at the (c) T/J supporting the (c) discontinuous post. The top connection should be as per the attached sketch, and the base connection should be similar to detail 3/S3.1. We do not recommend trying to support off the (F) 12" steel beam as it does not have the required capacity. Shoring will be needed to the existing construction conditions. Jack the floor up to level, before installing new post support. See attached Sketch of new Post support. Second Floor: Replace (c) studs beneath the steel beam with a 4 x 6 flat post connected to the steel beam per Structural drawings (S1.1 Detail 7). Work will include shoring, and removal of existing framing under duct work. Install 4 x 6 post to each side of the opening, using A34 at the base and bolt at the top. Install 2 x 4 sister stud to the 4 x 6 post at the interior side of the opening to support the existing horizontal 4 x 10 header at its new location above the duct work. Install new required short studs.

Second & Third Floor- Beam & Post Repairs @ E2/3.2 - Layout to align with post below. Shoring to remove existing post at E2/3.2, and install new 4 x 6 post with A34 top and base. Once structural work is complete, shoring to be removed. Same work on second floor- Layout to align with above post. Shoring to remove existing post (add steel ear at opposite side, by others). Replace T/J blocking with squash blocking at this location. Once work is complete, shoring can be removed.

Clean Main Sewer Lines- Provide up to four (4) hours of jetting and unclogging existing sewer lines, which were clogged during our initial Site Investigation. - See Attached COR

Supply & Install Duct Detectors for existing Units - See Attached COR

PHASE CODE	DESCRIPTION	LABOR	MATERIAL	EQUIPMENT	SUBCONTRACT	OTHER	TOTAL
061000	Rough Carpentry- 1st & 2nd Floor Structural Work- Labor				6,744		6,744
061000	Rough Carpentry- Pickup & Delivery				340		340

continued

6

CHANGE REQUEST #34

SF Child Abuse Prevention Ctr.

May 29, 2013

Page 2

Project No. 2010100

3451 rect

San Francisco, CA

PLANS CODE	DESCRIPTION	LABOR	MATERIAL	EQUIPMENT	SUBCONTRACT	OTHER	PRICE
061000	Rough Carpentry- Materials plus Tax				652		652
061000	Rough Carpentry- Labor to repair 2nd & 3rd floor posts at R2/3.2				4,785		4,785
061000	Rough Carpentry- Pickup & Delivery				340		340
061000	Rough Carpentry-Materials				1,335		1,335
061000	Rough Carpentry-Overhead & Fee				2,129		2,129
900900	Contingencies					3,000	3,000
SUBTOTAL							19,325
Insurance					1.00%		193
Contractor Fee					2.00%		390
TOTAL							19,909

The Contract Time will be increased by 2 days.

We are not proceeding with this work. If you wish us to proceed, please sign and return one copy of this request for change order for our records. Upon receipt, a change order will be issued.

If you have any questions, please contact me at (415)285-0500.

Cc: Calacul, Robert (Plant Const Co L.P.)

APPROVED BY

SF Child Abuse Prevention Ctr.

R. R. L. T 7/9/13
 AS AGENT FOR SFCAPC

Please sign and return Original to PLANT CONSTRUCTION COMPANY, L.P.

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JOB: SF CHILD ABUSE PREVENTION CENTER		SECTION	
CO #011	FIRST FLOOR - BOLT TWO POSTS TO (L) CMU WALL @ E2-F2/3.2 One location at GL E2/3.2; the other one at F2/3.2. NOTE - 4x6 post installation under base contract. EXCLUSIONS - Any demo work; any div. 5 iron work; special inspection fee..		LS
RFI #37			
DATE: 6/10/13		FOOTAGE	
MANPOWER	UNIT	CREW CATEGORY	CREW NUMBER
01. Drill CMU wall at 32" OC for 3/4" epoxy rod and installation of rods with epoxy			
a) Laborer - Drilling and epoxy (both locations)	HR	Labor	
			4.000
			85
			340.00
b) Carpenter-foreman - Drilling posts for 3/4" rod attachment. (for both locations)	HR	Carpenter	
			1.000
			100
			100.00
c) Labor to transport materials and help	HR	Labor	
			0.000
			85
			0.00
02. Driver			
a) To buy, pick up and deliver materials	HR	Labor	
			2.000
			85
			170.00
TOTAL MANPOWER			\$ 440.00
MATERIALS	UNIT	QTY/LF	UNIT PRICE
01. 3/4" rod, Simpson SET masonry epoxy, etc (for both locations)	LS	1	288.00
TOTAL MATERIALS			\$ 288.00
EQUIPMENT			
HINGER	LS	1	242
TOTAL EQUIPMENT			\$ 242.00
FEES			
TOTAL FEES			\$ -
DIRECT COST			\$ 970.00
MARKUP 15%			\$ 145.50
TOTAL			\$ 1,115.50

JOB: SF CHILD ABUSE PREVENTION CENTER		SECTION					
PCO #007	2ND FLOOR - BEAM/POST SUPPORT AT EL. 2 EXCLUSIONS: - Any demo work other than listed below; division 5 Iron work: special inspection fee. Per RFI #31					LS	
DATE: 6/10/13		FOOTAGE					
MANPOWER	UNIT	CREW CATEGORY	CREW NUMBER	PRODUCTION	HOURS	HOURLY RATE	TOTAL
0.1 Layout to align w/ post above.							
a) Foreman carpenter	HR	Carpenter			2.000	100	200.00
0.2 Shoring for removal of post (for Div 5 adding another steel ear at opposite side, by others)							
a) Foreman carpenter	HR	Carpenter			2.000	100	200.00
b) Carpenter	HR	Carpenter			2.000	95	190.00
c) Labor to transport materials and help	HR	Labor			2.000	85	170.00
03 Removal of post (for Div 5 Iron work, by others)							
a) Foreman carpenter	HR	Carpenter			1.000	100	100.00
b) Carpenter	HR	Carpenter			1.000	95	95.00
c) Labor to transport materials and help	HR	Labor			1.000	85	85.00
04. New post installation.							
a) Foreman carpenter	HR	Carpenter			2.000	100	200.00
b) Carpenter	HR	Carpenter			2.000	95	190.00
c) Labor to transport materials to debris box and help	HR	Labor			2.000	85	170.00
05. Replacement of TJI blocking w/squach blocking							
a) Foreman carpenter	HR	Carpenter			6.000	100	600.00
b) Carpenter	HR	Carpenter			6.000	95	570.00
c) Labor to transport materials to debris box and help	HR	Labor			6.000	85	510.00
06. Removal of shoring							
a) Foreman carpenter	HR	Carpenter			1.000	100	100.00
b) Carpenter	HR	Carpenter			1.000	95	95.00
c) Labor to transport materials to debris box and help	HR	Labor			1.000	85	85.00
07. Driver							
01. To buy, pick up and deliver materials	HR	Labor			2.000	85	170.00
TOTAL MANPOWER						\$	3,530.00
MATERIALS	UNIT	QTY/LF	UNIT PRICE			EXTENDED AMOUNT	
01. 4x6 DF Grade 1 new post; 2x4 DF Grade 2 blocking, bolts, nails, Simpson clips, etc.	LS	1	687.00			687.00	
TOTAL MATERIALS						\$	687.00
EQUIPMENT							
						0	
TOTAL EQUIPMENT						\$	-
FEES							
						TOTAL FEES	
						\$	-
						DIRECT COST	\$ 4,217.00
						MARKUP 15%	\$ 632.55

1 of 2

TOTAL \$ 4,849.55

JOB: SF CHILD ABUSE PREVENTION CENTER		SECTION	
PCO #009	3RD FLOOR - BEAM/POST SUPPORT AT E2/3.2 NOTE: Photographs attached to RFI 33 do not match photographs taken during job walk with superintendent Robert at the location for the work. This PCO has being conformed according the photphotographs taken during the job walk. NOTE: Work limited to the removal and replacement of 1 post. EXCLUSIONS: Any Div. 5 work; removal of (E) metal framing next to (E) post to remove.		LS
DATE: 6/10/13		FOOTAGE	
MANPOWER	UNIT	CREW CATEGORY	CREW NUMBER
01. Layout to align with the post below INCLUDED in PCO_007. No charge if it is approved along with this PCO.			
a) Foreman carpenter	HR	Carpenter	
02. Shoring for removal of (E) post			
a) Foreman carpenter	HR	Carpenter	
b) Carpenter	HR	Carpenter	
c) Labor to transport materials and help	HR	Labor	
03. Removal of (E) post			
a) Foreman carpenter	HR	Carpenter	
b) Carpenter	HR	Carpenter	
c) Labor to transport materials and help	HR	Labor	
04. Install (N) 4x6 post with A34 top and base.			
a) Foreman carpenter	HR	Carpenter	
b) Carpenter	HR	Carpenter	
c) Labor to transport materials to debris box and help	HR	Labor	
05. Removal of shoring			
a) Foreman carpenter	HR	Carpenter	
b) Carpenter	HR	Carpenter	
c) Labor to transport materials to debris box and help	HR	Labor	
06. Driver			
a) To buy, pick up and deliver materials	HR	Labor	
TOTAL MANPOWER			\$ 1,595.00
MATERIALS	UNIT	QTY/LF	UNIT PRICE
01. 4x6 DF Grade 1 post; 2x4 DF Grade 2 blocking, nails, Simpson clips, etc.	LS	1	648.00
TOTAL MATERIALS			\$ 648.00
EQUIPMENT			
TOTAL EQUIPMENT			\$ -
FEES			
TOTAL FEES			\$ -
DIRECT COST			\$ 2,243.00
MARKUP 15%			\$ 336.45

11

TOTAL \$ 2,579.45



REQUEST FOR INFORMATION #29

PLANT CONSTRUCTION COMPANY, LLP
201 NEWBATH STREET
SAN FRANCISCO, CA 94104
TEL: (415) 391-7300 FAX: (415) 391-7309
E-MAIL: REQUESTS@PLANTCONSTRUCTIONCOMPANY.COM

DATE 5/21/13

TO Jill Kuper
Tom Elliot Fisch
201 Post Street, 7th Floor
San Francisco, CA 94108
Ph (415) 391-7918 Fax (415) 391-7309

PROJECT 3450 3rd Street
San Francisco, CA
Project No. 2010100

SUBJECT Beam/Post Support at E2/2.6

DRAWING Structural Support

SPEC SECTION n/a

COST IMPACT None

SCHEDULE IMPACT TBD

URGENCY Normal

RECV FROM Calacal, Robert (Plant Const Co L P)

RECV REF # n/a

REQUEST	DATE REQUIRED
<p>Please provide Structural Details to support the existing posts/beams at E2/2.6.</p> <p>Photos 1 & 2 show the 3rd fl. TJs with an existing metal beam and the subfloor at this location.</p> <p>Photos 3 & 4 show the 2nd fl. post supporting the beam and pushing down on the sub floor about an 1". (See photo 7 Suggested Fix/Relocate)</p> <p>Photo 5 shows the 1st floor (E) TJs with the incorrect support</p> <p>Photo 6 shows an existing metal beam (4"x12") on the 1st. fl. Could the 2nd fl. post align with this beam to provide stacked support? See photos of prints/notes.</p> <p>Requested by: Young Electric Co.</p>	

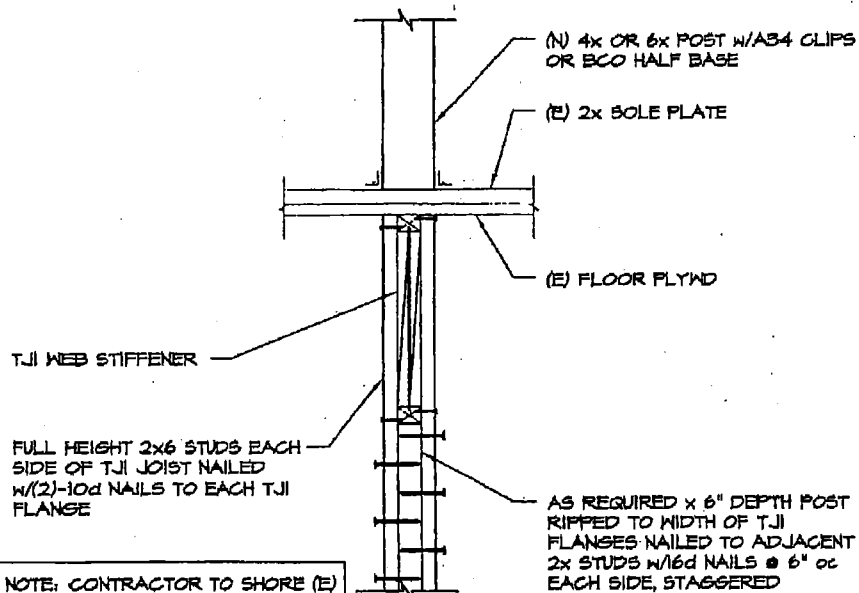
RESPONSE	ANSWERED DATE
<p>At the 2nd and 3rd floors we recommend replacing the current studs beneath the steel beams with a 4x10 flat or 6x6 post (depending on stud depth) connected to the steel beams as shown on detail 7/S1.1. The ear tabs may be rotated as required. At the base of the post we recommend attaching the post to the (e) plates with a minimum of an A34 clip each side of the post or with a BCO half base. At the first floor we recommend adding a new post support at the (e) TJI supporting the (e) discontinuous post. The top connection should be as per the attached sketch, and the base connection should be similar to detail 3/S3.1. We do not recommend trying to support off the (E) 12" steel beam as it does not have the required capacity.</p> <p>Joe Givens, PE</p> <p>Answered to: Morris Engineering & Associates, Inc.</p> <p>Company: Date: 05/28/2013</p>	

CC: Calacal, Robert (Plant Const Co L P), Albert, Bruce (Albert Group)

continued

THE PLANT CONSTRUCTION SERVICES, INC. IS A FULLY EMPLOYED, PRIVATELY OWNED SERVICE

13



NOTE: CONTRACTOR TO SHORE (E) CONSTRUCTION & JACK FLOOR TO LEVEL PRIOR TO INSTALLING (N) POST SUPPORT

1 (N) POST SUPPORT @ FIRST FLOOR

M MORRIS ENGINEERING CONSULTING ENGINEERS 1500 INDUSTRIAL ROAD, SUITE 14 SAN CARLOS, CA 94070 (800) 666-2973 FAX (800) 698-8960	SAN FRANCISCO CHILD ABUSE PREVENTION CENTER 3450 3RD STREET SAN FRANCISCO, CA	DATE: 05-28-2013 JOB #: 12173	DWG # SSK RF1029
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REQUEST FOR INFORMATION #31

PLANT CONSTRUCTION COMPANY, L.P.
100 N. WHITE STREET
SAN FRANCISCO, CA 94102
TEL: 415 285-0500 FAX: 415 391-7309
E-MAIL: INFO@PLANTCO.COM
WWW.PLANIP.CONSTRUCTIONCOMPANY.COM

DATE 5/21/13

TO Jill Kaper
Tom Elliot Fisch
201 Post Street, 7th Floor
San Francisco, CA 94108
Ph (415)391-7918 Fax (415)391-7309

PROJECT 3450 3rd Street
San Francisco, CA
Project No. 2010100

SUBJECT Beam & Post Support at E2/3.2- 2nd Floor

DRAWING S2.2.1 11-30-2012

SPEC SECTION n/a

COST IMPACT TBD

SCHEDULE IMPACT TBD

URGENCY Normal

RELV FROM Calacal, Robert (Plant Const Co L.P.)

REC'D REF # n/a

REQUEST	DATE REQUIRED
<p>Please provide structural details to support existing post and beam at E2/3.2 on the 2nd fl. These two photos show the existing 2"x4" and 4"x6" post supporting the existing metal beam on the 2nd floor at E2/3.2. There is no existing attachment to the beam or column. This post has no support below it either. See following RFI's for same location different floors.</p>	
<p>Requested by: Kacie Young Plant Construction Company, L.P. Ph (415)285-0500 Email kaciey@plantco.com</p>	

RESPONSE	ANSWERED DATE
<p>The connection between the post and the steel beam appears to be structurally sufficient. At the contractors option, the connection can be modified to be in compliance with what is shown on detail 7/S1.1. The post base should be attached to the sole plate with a minimum of A34 clip each side of post or BC0 half base. The (e) TJI blocking above the post should be replaced with a squash block of same size and in alignment with the post above. Post support below is addressed in RFI #34</p>	
<p>Joe Givens, PE</p>	
<p>Answered by Morris Engineering & Associates, Inc. Company</p>	<p>05/28/2013 Date</p>

CC Albert, Bruce (Albert Group), Calacal, Robert (Plant Const Co L.P.)

PREPARED BY

THE PLANT CONSTRUCTION SERVICES, INC. IS A FULLY LICENSED, DELIVERED ON SCHEDULE

(15)



REQUEST FOR INFORMATION #33

PLANT CONSTRUCTION COMPANY, L.P.
200 STEWART STREET
SAN FRANCISCO, CA 94104
TEL: (415) 285-0500 FAX: (415) 285-0501
E-MAIL: INFO@PLANTCO.COM
WWW.PLANTCONSTRUCTIONCOMPANY.COM

DATE 5/21/13

TO Jill Kuper
Tom Elhor Fisch
201 Post Street, 7th Floor
San Francisco, CA 94108
Ph (415) 391-7918 Fax (415) 391-7309

PROJECT 3450 3rd Street
San Francisco, CA
Project No. 2010100

SUBJECT Beam & Post Support at E2/3.2

DRAWING n/a

SPEC SECTION n/a

COST IMPACT TBD

SCHEDULE IMPACT TBD

URGENCY Normal

RCV FROM Calacal, Robert (Plant Const Co L.P.)

RCV RIB # n/a

REQUEST

DATE REQUIRED 5/24/13

Please provide structural details to support existing post and beam at E2/3.2 on the 3rd fl. These two photos show the existing 2"x4" post supporting the doubled up 2"x10" beam on the 3rd floor at E2/3.2. There is no existing attachment to this beam or column. This post is stacked on top of a similar post on the second floor. See following RFI's for same location different floors.

Requested by: Kacie Young
Plant Construction Company, L.P.
Ph (415) 285-0500 Email kaciey@plantco.com

RESPONSE

ANSWERED DATE

A new 4x6 post should be installed beneath the (e) (2)-2x10 beam. The post may be clipped to the top and bottom plates w/A34 clips each side of the post.

Joe Givens, PE

Answered by

Morris Engineering & Associates, Inc.

Company

05/28/2013

Date

CC Calacal, Robert (Plant Const Co L.P.), Albert, Bruce (Albert Group)

REMARKS

FOR BEST CONSTRUCTION SERVICES, PREPARELY INFORMED, REVIEWED ON SCHEDULE

1/6

The Finest Construction Services - Efficient - Performed - Delivered on Schedule
300 Newhall Street, San Francisco, California 94124 . (415) 285-0500 . FAX (415) 550-1357
California State Contractor's License Number 830764

INVOICE

IN ACCOUNT WITH

Michael Ching
1238 Sutter Street
San Francisco, CA 94109

INVOICE NO. 2010100-PB#06F
DATE 08/31/2013

PROJECT 2010100 (CN0388)
SF Child Abuse Prevention Center
3450 3rd Street, SF, CA

Please remit to:
PLANT CONSTRUCTION COMPANY, L.P.
300 Newhall Street
San Francisco, California 94124

Billing #F

This invoice is for sewer line at the San Francisco Child Abuse Prevention Center (SFCAPC), 3450 3rd Street, San Francisco, CA. Further details are in the attached Change Request #9.

Total Amount Due per attached Change Request #9.

\$3,518.00

cc: Katie Albright

If you have any questions regarding this invoice, please contact Conrado Velve or Tony Herlambang at (415) 285-0500.

Invoices are due and payable immediately when rendered and become delinquent 20 days thereafter. All cost of collection and also interest will be charged on delinquent accounts at a rate equal to the discount rate of the Federal Reserve Bank of San Francisco plus 5% of the principal amount. This rate shall be adjusted every 30 days according to the then current discount rate, but not to exceed the maximum legal rate.

State Law requires the following notice on Contractors' Invoices: "Under the Mechanics' Lien Law (California Code of Civil Procedure, Section 1181 et seq.), any contractor, subcontractor, laborer, supplier or other person who helps to improve your property but is not paid for his work or supplies, has the right to enforce a claim against your property. This means that, after a court hearing, your property could be sold by a court officer and the proceeds of the sales used to satisfy the indebtedness. This can happen even if you have paid your own contractor in full, if the subcontractor, laborer, or supplier remains unpaid."

⑦

CHANGE REQUEST #9

PLANT CONSTRUCTION COMPANY, L.P.
300 NEWHALL STREET
SAN FRANCISCO, CA 94111
TEL 415.385.0100 FAX 415.390.3447
LICENSE NUMBER 810764
www.plantconstructioncompany.com

DATE April 30, 2013

TO The Albert Group, Inc.
220 Montgomery Street
Suite 498
San Francisco, CA 94104

Attn: Bruce Albert
Ph (415)398-1393 · Fx (415)398-1470

FROM Kacie Young
Plant Construction Company, LP

RE 3450 3rd Street
3450 Third Street
San Francisco, CA
Project No. 2010700

SCOPE OF WORK

Jetting Sewer Lines

Provide up to four (4) hours of jetting the existing sewer lines, which were clogged during our initial Site Investigation.
If the job takes more than four (4) hours to complete, an additional cost will be provided.

This work should be done on a T & M basis.

PHASE CODE	DESCRIPTION	LABOR	MATERIAL	EQUIPMENT	SUBCONTRACT	OTHER	PRICE
220050	Supervision - 4 hrs @ 139.00 - T & M				556		556
220050	Sub-Jetting - T & M				2,400		2,400
220050	Plumbing- Overhead & Fee				459		459
SUBTOTAL							3,415
Insurance Fee					1.00%		34
Contractors Fee					2.00%		69
TOTAL							3,518

The Contract Time will remain unchanged.

We are proceeding with this work. Please sign and return one copy of this request for change order for our records.
Upon receipt, a change order will be issued.

If you have any questions, please contact me at (415)285-0500.

cc

- continued

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APPROVED BY

~~The Albert Group, Inc.~~

B. R. C. + 5/6/13

BRUCE R. ALBERT

(Print Name)

AS AGENT FOR STEAPC

Please sign and return Original to PLANT CONSTRUCTION COMPANY, L.P.

(19)

4/29/2013

Job Name: Child Abuse Prevention Center
Change Order: #1- Jetting & filming of Sewer Line
Attention: Kacie Young
Contractor: Plant Construction Co. L.P.
Address: 300 Newhall Street CA, 94124-1426
Phone: (415) 285-0500 Fax: (415) 550-1357
Plans By: N/A
Sheets: N/A
Addenda: N/A
Reference 0001001

The following describes additional work not included in our original proposal:

Scope of Work:

- Provide up to 4- hours of jetting the existing sewer line. If more then 4- hours is needed additional pricing will be provided.
- Provide video of sewer piping after completion of jetting.

Exclusions:

- Ceiling removal and/or replacement.
- Overtime.
- Electrical work
- All work associated with asbestos and/or other hazardous material.
- Cutting and Patching of floors, ceilings, & walls
- All exclusions on bid letter apply to this change order

Upon your review, please issue an additive change order in the amount of \$3,761.00.

If you have any questions, please feel free to call.

Thank you,

Trevor Hansen
dpw, inc.

Document ID#27481

Contractor Job No: 2010100

20

4/29/2013



Company: Jpw, Inc.
 JobName: Child Abuse Prevention Center
 Bid: Change Estimate #7

	Materials	Hours	Labor Rate	Labor \$	Total
Piping Materials & Labor	\$0	0.0	\$130.00	\$0	\$0
Fixture Rough-ins	\$0	0.0	\$130.00	\$0	\$0
Equipment	\$0	0.0	\$130.00	\$0	\$0
Supervisions	\$0	4.0	\$139.00	\$556	\$556
Other Job Costs	\$0	0.0	Varies	\$0	\$0
Rental Equipment	\$0			\$0	\$0
Overtime Pay			\$51.50	\$0	\$0
Other				\$0	\$0
Sub Total	\$0			\$556	\$556
Sales Tax	\$0			\$0	\$0
Sub Total	\$0			\$556	\$556

Subcontracts	including Sales Tax	\$2,700
	Sub Total	\$3,256

Warranty	
Material Escalation 20% of Materials	
Labor Escalation \$2 an Hour	
Insurance Escalation \$2 an Hour	
Workers Comp Waiver	
Freight	
Parking	
Insurance Cert	
Safety 1%	
Small Tools, Consumables 3% of Materials	
SF City Business Tax 1.5%	
Sub Total	\$3,256

10%	Overhead	\$326
5%	Profit	\$179
	Sub Total	\$3,761

Sales Tax	\$0
Sub Total	\$3,761

Bond	\$0
QUOTED PRICE	\$3,761

(21)

**CONDITIONAL WAIVER AND RELEASE
UPON PROGRESS PAYMENT**

PAYMENT NOTICE: THIS DOCUMENT WAIVES THE CLAIMANT'S LIEN, STOP PAYMENT NOTICE, AND PAYMENT BOND RIGHTS EFFECTIVE ON RECEIPT OF PAYMENT. A PERSON SHOULD NOT RELY ON THIS DOCUMENT UNLESS SATISFIED THAT THE CLAIMANT HAS RECEIVED PAYMENT.

Identifying Information

Name of Claimant: Plant Construction Company, L.P.
Name of Customer: San Francisco Child Abuse Prevention Center
Job Location: 3450 3rd Street, San Francisco, CA
Owner: 1238 Sutter Street LLC
Through Date: August 31st, 2013

Conditional Waiver and Release

This document waives and releases lien, stop payment notice, and payment bond rights the claimant has for labor and service provided, and equipment and material delivered, to the customer on this job through the Through Date of this document. Rights based upon labor or service provided, or equipment or material delivered, pursuant to a written change order that has been fully executed by the parties prior to the date that this document is signed by the claimant, are waived and released by this document, unless listed as an Exception below. This document is effective only on the claimant's receipt of payment from the financial institution on which the following check is drawn:

Maker of Check: 1238 Sutter Street LLC Amount of Check: \$ 301,370.00
Check Payable to: Plant Construction Company, L.P.

Exceptions

This document does not affect any of the following:

- (1) Retentions.
- (2) Extras for which the claimant has not received payment.
- (3) The following progress payments for which the claimant has previously given a conditional waiver and release but has not received payment:
Date(s) of waiver and release: July 31st 2013
Amount(s) of unpaid progress payment(s): \$405,655.00
- (4) Contract rights, including (A) a right based on rescission, abandonment, or breach of contract, and (B) the right to recover compensation for work not compensated by the payment.

Dated 9/6/13

Plant Construction Company, L.P.

By 

Conrado Velve

As Agent

(22)

The Finest Construction Services - Efficient - Performed - Delivered on Schedule
300 Newhall Street, San Francisco, California 94124, (415) 285-0500, FAX (415) 550-1357
California State Contractor's License Number 830764

INVOICE

IN ACCOUNT WITH

Michael Ching
1238 Sutter Street
San Francisco, CA 94109

INVOICE NO. 2010100-PB#06E
DATE 08/31/2013

PROJECT 2010100 (CN0388)
SF Child Abuse Prevention Center
3450 3rd Street, SF, CA

Please remit to:
PLANT CONSTRUCTION COMPANY, L.P.
300 Newhall Street
San Francisco, California 94124

Billing #E

This invoice is for water vapors at the San Francisco Child Abuse Prevention Center (SFCAPC),
3450 3rd Street, San Francisco, CA. Further details are in the attached Change Request #61.

Total Amount Due per attached Change Request #61.

\$22,965.00

cc: Katie Albright

If you have any questions regarding this invoice, please contact Conrado Vellve or Tony Herlambang at
(415) 285-0500.

Invoices are due and payable immediately when rendered and become delinquent 20 days thereafter. All cost of collection and also interest will be charged on delinquent accounts at a rate equal to the discount rate of the Federal Reserve Bank of San Francisco plus 5% of the principal amount. This rate shall be adjusted every 30 days according to the then current discount rate, but not to exceed the maximum legal rate.

State Law requires the following notice on Contractors' Invoices: "Under the Mechanics' Lien Law (California Code of Civil Procedure, Section 1181 et seq.), any contractor, subcontractor, laborer, supplier or other person who helps to improve your property but is not paid for his work or supplies, has the right to enforce a claim against your property. This means that, after a court hearing, your property could be sold by a court officer and the proceeds of the sales used to satisfy the indebtedness. This can happen even if you have paid your own contractor in full, if the subcontractor, laborer, or supplier remains unpaid."

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CHANGE REQUEST #61

PLANT CONSTRUCTION COMPANY, L.P.
300 NEWHALL STREET
SAN FRANCISCO, CA 94124
TEL 415 381-2300 FAX 415 381-0517
LICENSE NUMBER 810764
www.plantconstructioncompany.com

DATE July 22, 2013

TO SF Child Abuse Prevention Ctr
c/o The Albert Group, Inc.
Attn: Bruce Albert
220 Montgomery St., Suite 498
San Francisco, CA 94104

FROM Kacie Young
Plant Construction Company, LP

RE 3450 3rd Street
3450 Third Street
San Francisco, CA
Project No. 2010100

SCOPE OF WORK

Waterproofing at Parking Garage Locations

1. Prepare existing concrete surface by mechanically shot blasting the area specified in the first floor layout sheet (Areas to receive floor finishes)
2. Treat cracks per manufacturers specifications.
3. Apply Aquafin Vaportight Cont SC33. At a rate of approximately 90ft²/gal.
4. Lay down protection so work may continue on the first floor until floor finishes are scheduled to be installed
5. Sand Aquafin Vaportight Coating before floor finishes are installed. This is necessary for the floor finishes to be installed

PHASE CODE	DESCRIPTION	LABOR	MATERIAL	EQUIPMENT	SUBCONTRACT	OTHER	PRICE
096050	Floor Preparation and Leveling-Rainbow Waterproofing. Abrade floor seal once finishes are ready for install				18,189		18,189
096050	Supervision- Laborer on Saturday for Rainbow Waterproofing	660					660
096050	Progress Clean up for Shot Blasting- Move all equipment & materials off required area & sweep floor clean	440					440
096050	Protection-General Requirements	1,320					1,320
096050	Floor Preparation and Leveling- Materials to protect flooring- Thermaply, Tape, visqueen, caution tape, spray adhesive, sheetrock blades		1,507				1,507

- continued -

(24)

CHANGE REQUEST #61

SF Child Abuse Prevention Ct

July 22, 2013

Page 2

Project No. 2010100

3450 street

San Francisco, CA

PHASE CODE	DESCRIPTION	LABOR	MATERIAL	EQUIPMENT	SUB-CONTRACT	OTHER	PRICE
260050	Electrical- Provide 480v, Three Phase, 50 Amp direct panel tie in- Temp Power				175		175
SUBTOTAL							22,291
Insurance					1.00%		223
Contractor Fee					2.00%		450
TOTAL							22,965

The Contract Time will remain unchanged.

We are not proceeding with this work. If you wish us to proceed, please sign and return one copy of this request for change order for our records. Upon receipt, a change order will be issued.

If you have any questions, please contact me at (415)285-0500.

Cc: Calacal, Robert (Plant Const Co L.P.)

APPROVED BY

SF Child Abuse Prevention Ct

R. Calacal 8/26/13
 AS AGENT FOR STC/PC
 (Printed Name)

Please sign and return Original to PLANT CONSTRUCTION COMPANY, L.P.

(25)



Since 1927

Lic. #148753

RAINBOW WATERPROOFING & RESTORATION CO

Contract/Proposal

August 19, 2013

Kacie Young
Project Manager
Agent of
Plant Construction Company, L.P.
300 Newhall Street, San Francisco, CA 94124-1426

Subject: 3450 3rd Street, San Francisco Ca.
Vapor Coating.

Work Area:
See attached drawing Attachment "A". Work will be completed in (2) two phases.

Scope of Work:

1. Prepare existing concrete surface by mechanically shot blasting.
2. Treat cracks per manufacturers specifications.
3. Apply Aquafin Vaportight Coat SG3. At a rate of approximately 90Ft²/gal.

Price:

Straight Time

Shot Blasting	\$	5,059
Apply Aquafin Vaportight Coat SG3	\$	10,225
Supervision	\$	334
Total	\$	15,618

Over Time (Saturday and Sunday or night shift)

Shot Blasting	\$	5,059
Apply Aquafin Vaportight Coat SG3	\$	10,814
Supervision	\$	334
Total	\$	16,207

600 Treat Avenue, San Francisco CA 94110- TEL. 415-641-1578 FAX 415-641-6151
WWW.RAINBOW415.COM

(26)

Alternate:

- A. Abrade Aquafin Vaportight Coat SG3 following application. No more than 2 mobilizations. Straight time hours.

Add: \$1,982

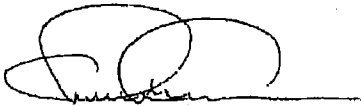
Qualifications:

- Unobstructed access to the Work Area to be provided by Plant. All tools, construction materials, job boxes Etc. to be cleared from the Work Area prior to the start of Rainbow's work.
- Excludes any costs associated with testing.
- Excludes permits.

TERMS: Rainbow Waterproofing & Restoration Co. will furnish all labor, supervision, management; materials, equipment; taxes, insurance as required to perform the work described. Our performance under this contract is contingent upon the non-occurrence of strikes, fire, earthquake, or other natural or man-made events beyond our control. Contractors are required by law to be licensed and are regulated by the Contractors State License Board. Any questions concerning a contractor should be referred to the Registrar, Contractors State License Board, 9835 Goethe Road, Sacramento CA 95827. This contract is payable in monthly progress payments which are due thirty days after receipt of our invoice. If not timely paid, interest shall accrue on the unpaid balance at the rate of 1.5% per month. In the event legal action is required to collect this obligation, debtor shall repay all costs of collection, including reasonable attorney's fees. This proposal may be withdrawn by us if not accepted within sixty days. If alternates have been offered, please circle the price(s) and initial same to indicate your acceptance and approval. Change Orders become part of and in conformance with the existing contract.

Respectfully Submitted,

Approved and Accepted



*

Chris Abell

*

As Agent

600 Treat Avenue, San Francisco CA 94110- TEL. 415-641-1578 FAX 415-641-6151
WWW.RAINBOW415.COM

The Finest Construction Services - Efficiently Performed - Delivered on Schedule
300 Newhall Street, San Francisco, Cali 94124 . (415) 285-0500 . FAX (415) 550-1357
California State Contractor's License Number 850004

INVOICE

IN ACCOUNT WITH

INVOICE NO. 2010100-PB#06C
DATE 08/31/2013

Michael Ching
1238 Sutter Street
San Francisco, CA 94109

PROJECT 2010100 (CN0388)
SF Child Abuse Prevention Center
3450 3rd Street, SF, CA

Please remit to:
PLANT CONSTRUCTION COMPANY, L.P.
300 Newhall Street
San Francisco, California 94124

Billing #C

This invoice is for one-hour rated staircases at the San Francisco Child Abuse Prevention Center (SFCAPC), 3450 3rd Street, San Francisco, CA. Further details are in the attached Change Request #99 and #64.

Total Amount Due per attached Change Request #99 and #64

\$15,247.00

cc: Katie Albright

If you have any questions regarding this invoice, please contact Conrado Velve or Tony Herliambang at (415) 285-0500.

Invoices are due and payable immediately when rendered and become delinquent 20 days thereafter. All cost of collection and also interest will be charged on delinquent accounts at a rate equal to the discount rate of the Federal Reserve Bank of San Francisco plus 5% of the principal amount. This rate shall be adjusted every 30 days according to the then current discount rate, but not to exceed the maximum legal rate.

State Law requires the following notice on Contractors' Invoices: "Under the Mechanics' Lien Law (California Code of Civil Procedure, Section 1181 et seq.), any contractor, subcontractor, laborer, supplier or other person who helps to improve your property but is not paid for his work or supplies, has the right to enforce a claim against your property. This means that, after a court hearing, your property could be sold by a court officer and the proceeds of the sales used to satisfy the indebtedness. This can happen even if you have paid your own contractor in full, if the subcontractor, laborer, or supplier remains unpaid."

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CHANGE REQUEST #99
SF Child Abuse Prevention Ctr
September 05, 2013
Page 2

Project No. 2010100
3450 3rd Street
San Francisco, CA

APPROVED BY

SF Child Abuse Prevention Ctr

R. R. Q. T 9/5/13
AS AGENT FOR SFCAPC

(Print Name)

Please sign and return Original to: PLANT CONSTRUCTION COMPANY, L.P.

30



CHANGE REQUEST #64

PLANT CONSTRUCTION COMPANY, L.P.
100 NEWBELL STREET
SAN FRANCISCO, CA 94104
TEL 415 285-0500 FAX 415 380-3357
LICENSE NUMBER 30964
www.plantconstructioncompany.com

DATE August 02, 2013

TO SF Child Abuse Prevention Ctr
c/o The Albert Group, Inc.
Attn: Bruce Albert
220 Montgomery St., Suite 498
San Francisco, CA 94104

FROM Kacie Young
Plant Construction Company, L.P.

RE 3450 3rd Street
3450 Third Street
San Francisco, CA
Project No. 2010100

SCOPE OF WORK

Increase Wall Rating at Stairs to 1-Hr. Rated

Provide and install 1 hour rated Stairways per Bruce Alberts Request and Direction. Plant will Subcontract the work to Russell Hinton for a NTE price of \$3,995.00. Should the scope of work change or the Rating no longer work for the Building Department and this price goes up, a new revised Change Order will be issued to complete this work.

PHASE CODE	DESCRIPTION	LABOR	MATERIAL	EQUIPMENT	SUBCONTRACT	OTHER	PRICE
011047	Project Foreperson-Supervision & Scheduling	800					800
092116	Drywall- Provide and Install One Hour Fire Rating Upgrade at Stairwell locations				3,995		3,995
SUBTOTAL							4,795
Insurance					1.00%		48
Contractor Fee					2.00%		97
TOTAL							4,940

The Contract Time will be increased by 10 days.

We are not proceeding with this work. If you wish us to proceed, please sign and return one copy of this request for change order for our records. Upon receipt, a change order will be issued.

If you have any questions, please contact me at (415)285-0500.

CC Calacal, Robert (Plant Const Co L.P.)

- continued -

(31)

CHANGE REQUEST #04
SF Child Abuse Prevention Ctr
August 02, 2013
Page 2

Project No. 2010100
1450 3rd Street
San Francisco, CA

APPROVED BY

SF Child Abuse Prevention Ctr

B. R. L. + 8/7/13
AS AGENT FOR SFCAPC

Please sign and return Original to PLANT CONSTRUCTION COMPANY, L.P.

(32)

EXHIBIT D

STANDARDS FOR JANITORIAL SERVICE

[See attached]

3450 3rd Street, San Francisco, CA – Janitorial Specifications – **10/8/13**

GENERAL NOTE

The cleanable space is newly built-out. All fixtures, finishes, paint, floor coverings, etc. are brand-new. It will be expected that the successful janitorial contractor will maintain these fixtures, finishes, painted surfaces, floor coverings, etc. in a "like-new" condition, as reasonably as possible, free of common mishaps, such as marks on furniture, baseboards, walls and doors from wear and tear.

GROUND FLOOR LOBBIES

A. NIGHTLY

1. UNCARPETED FLOORS

Hard-surfaced floors are to be dust mopped, using a treated mop to remove all loose dirt and then damp mopped with a pH neutral cleaning solution if needed. The floor, when dry, will be even in appearance and show no streaking from cleaning efforts. If rain mats are in use because of inclement weather, they will be vacuumed and spot cleaned as necessary.

2. CARPETED FLOORS

Carpeted floors will be vacuumed daily and spot cleaned as necessary.

3. WALLS AND DOORS

All doors, door saddles, and jambs will be thoroughly cleaned as necessary to remove all finger-marks, smudges and spills.

4. GLASS

All interior glass windows, doors and directory board glass will be cleaned with a non-abrasive glass cleaner and left in a bright condition free of streaks and dust.

5. ELEVATOR CAB DOORS, TRACKS, FLOORS AND THRESHOLDS

Elevator doors and panel cab walls will be damp-wiped and left in a clean condition free of all dust and streaks. Elevator saddles will be wiped clean and all dirt and debris removed from door tracks, using a vacuum crevice attachment. Spills and smudges will be cleaned so that the saddles and tracks are left in a bright, clean condition. All bright metal work will be polished with appropriate materials, including the use of a buffing tool and polishing compounds as required. Elevator floors are to be dust mopped, using a treated mop to remove all loose dirt and then, if needed damp mopped with a pH neutral cleaning solution. Elevator walls are to be dust wiped with micro-fiber cloth and if needed cleaned with pH neutral cleaning solution. If rain mats are in place because of inclement weather, mats will be vacuumed.

6. DUSTING

All horizontal surfaces, including furniture tops and ledges within reach, will be dusted using treated cleaners appropriate for each surface. No feather dusters will be allowed.

7. MISCELLANEOUS

Signs, sign standards and security podium will be wiped clean and left free of finger-marks and smudges. Bright metal work will be polished with appropriate metal cleaners. Spot clean all interior architectural metal finishes and wall surfaces.

8. PLAZA

Police public area planters and plaza, removing any trash and debris that may accumulate.

B. WEEKLY

1. WINDOWS

Window frames (interior) will be dusted and wiped down on both horizontal and vertical surfaces to an 8' height, removing all dust and spots.

C. MONTHLY

1. HIGH DUSTING

All high dusting beyond the reach of normal day to day dusting will be done monthly.

2. RAIN MATS

Rain Mats will be thoroughly steamed cleaned using extraction system monthly during the rainy season, and rolled and stored after inclement weather.

3. ARCHITECTURAL ALUMINUM FINISHES

Thoroughly clean all chrome and architectural aluminum fixtures.

4. WINDOW FRAMES

Thoroughly clean all window frames, vertical and horizontal surfaces, with the appropriate cleaning solution, wipe dry, leaving a spot free surface.

E. ANNUALLY

1. RAIN MATS

Rain Mats will be thoroughly steamed cleaned using an extraction system after the rainy season ends but in no event later than May 31, each year.

III. PUBLIC AREAS ABOVE GROUND FLOOR

A. NIGHTLY

1. CARPETED FLOORS

Hallways, corridors and public areas are to be thoroughly vacuumed on a nightly basis.

2. UNCARPETED FLOORS

All hard-surfaced floors are to be mopped with a treated dust mop and maintained as needed to preserve a uniformly clean appearance. Edges and corners are to be treated on an as needed basis.

3. WALLS

Walls will be spot-cleaned to remove all smudges, stains and hand marks, on an as needed basis using only clean water or mild cleaning solution. If a cleaning solution is used, the wall will be rinsed with clear water. No abrasive cleaners of any kind or cleaning solutions containing bleach will be used at any time without first obtaining permission from the Manager.

4. DOORS AND JAMBS

Doors and jambs will be spot-cleaned to remove any hand marks, stains, spills or smudges on an as needed basis. Rinse with clear water and dry. When completed, doors and jambs shall have a uniform clean appearance. Dust and remove debris from all metal door thresholds.

5. MISCELLANEOUS GLASS AND METAL WORK

All glass and metal accessories, including signs, door hardware, frames, etc. will be wiped clean and left in a uniformly clean condition.

6. DUSTING

Dust furniture, accessories, ledges and other horizontal surfaces using a treated dust cloth. No feather duster will be allowed. Spot cleaning will be completed as necessary.

7. PLANTERS

Police all public area planters; remove any trash and debris that may accumulate.

8. DRINKING FOUNTAINS

Clean and sanitize nightly, wipe dry leaving no spots.

9. WALK-OFF MATS

Service all walk-off mats as necessary.

B. WEEKLY

1. CARPETED FLOORS

All carpeted floors will be vacuumed wall to wall on a weekly basis.

2. UNCARPETED FLOORS

All uncarpeted floors are to be swept clean and thoroughly wet mopped to maintain a uniform clean appearance. Special attention will be given to ensure the edges, corners, small niches and areas behind doors are cleaned as well.

C. MONTHLY

1. CARPETED FLOORS

All carpeted floor edges will be vacuumed using an edging attachment. Care should be taken when vacuuming area rugs to avoid damaging the edges.

D. QUARTERLY

1. UNCARPETED FLOORS

All hard surfaced floors will be wet mopped, allowed to dry and then machine spray buffed.

E. SEMI-ANNUALLY

1. UNCARPETED FLOORS

All hard-surfaced floors are to be specially treated twice per year, at intervals with the quarterly treatment described above at the first interval the floors are to be scrubbed and waxed and left in a uniform bright condition. All finish spills and splashes will be completely removed from baseboards, walls, doors and jambs. At the second interval the floors are to be stripped and waxed and left in a uniform bright condition. All finish spills and splashes will be completely removed from baseboards, walls, doors and jambs.

2. CARPETED FLOORS

Steam extraction, shampoo and rinse all common area carpets. Submit proposed cleaning schedule.

F. ANNUALLY

1. CEILING LIGHTING

Clean light diffusers; remove fingerprints from fixtures, ceiling and grid.

IV. RESTROOMS

A. NIGHTLY

1. FLOORS, BRIGHT-WORK, AND METAL FIXTURES

Floors will be swept clean and wet-mopped using a germicidal detergent containing no deodorants. All watermarks and stains will be wiped from walls, partitions, light switches, and metal fixtures. All bright-work, including mirrors, will be cleaned or polished using only non-abrasive/non-acidic cleaning materials.

2. CERAMIC FIXTURES

Scour, wash and disinfect all basins, shower stalls, toilet bowls and urinals with a germicidal detergent solution free of any deodorants, including walls near the urinals. Special care will be taken to ensure that areas difficult to access, such as the underside of toilet bowls and urinals, will be cleaned to prevent the building up of calcium and iron oxide deposits. Wash both sides of all toilet seats with germicidal solution free of any deodorants. No abrasive or acidic cleaning materials will be used. Leave all surfaces spot free.

3. URINAL MODESTY SCREENS and TOILET PARTITIONS

Damp-wipe urinal modesty screens with germicidal solution free of any deodorants. Surfaces are to dry with a uniform appearance, free of any streaks or smudges. No abrasive or acidic cleaning materials will be used. Leave all surfaces spot free.

4. RESTROOM DOORS

All restroom doors will be damp-wiped to remove any hand marks from door and door hardware. No abrasive or acidic cleaning materials will be used. Leave all surfaces spot free.

5. GENERAL

It is the intention of these specifications to keep restrooms thoroughly clean and not to use disinfectant to mask odors. All disinfectants will be deodorant free.

6. COMPOST REMOVAL

Remove all waste paper from compost receptacles to designated areas. All compost receptacles are to be thoroughly cleaned and washed and compost liners installed when soiled. All compost liners shall conform to Landlord's composting program.

7. TRASH REMOVAL

Remove all refuse including soiled sanitary napkins from sanitary waste receptacles to designated areas. All sanitary waste receptacles are to be thoroughly cleaned and washed and new liners installed. All liners shall conform to Landlord's waste program.

8. PRODUCT DISPENSERS

Fill toilet tissue and paper towel dispensers and holders, seat cover containers, soap dispensers and sanitary napkin machines with Owner's stock nightly. Contractor shall leave extra or partially used rolls of toilet paper in restrooms. Care should be taken to inspect dispensing fixtures to ensure they are operating properly. Report any deficiencies to the Manager.

9. FLOOR DRAINS

Add one cup of water to all restroom floor drains (TBD).

B. WEEKLY

1. DUSTING

Dust the top edges of partitions, ledges, mirrors, HVAC diffusers, and return air grills and other horizontal surfaces, including vents at bottom of walls.

2. EXPOSED PLUMBING

Damp wipe all exposed plumbing (P-traps under sinks) leaving dust free.

3. PRODUCT DISPENSERS

Collect coins from sanitary napkin and tampon machines and deliver proceeds wrapped in coin rolls to Owner's representative (TBD).

D. QUARTERLY

1. FLOORS

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

V. TENANT AREAS

A. NIGHTLY

1. CARPETED FLOORS

All hallways, conference rooms, corridors and high traffic areas to be vacuumed on a nightly basis. All edges will be swept to remove dust and then vacuumed. Offices and cubicles will be vacuumed on an as needed basis, moving all light furniture such as chairs and rolling cabinets if necessary. All furniture will be returned to its original position. Vacuum under desks as needed. Spot clean as necessary.

2. UNCARPETED FLOORS

All hard-surfaced floors will be dust-mopped using a treated dust mop. All furniture will be returned to its original position. Spot-clean as needed to remove spill and smudges with damp cloth or mop and return to uniformly clean appearance.

3. DUSTING

Using a treated dust cloth, wipe all furniture tops. Wipe clean telephones, lamps, and other accessories. Papers, files, etc. left on desk or furniture tops **shall not be moved** to allow for dusting. Dust only those areas which are clear of papers and files.

4. FURNITURE AND ACCESSORIES

On an as needed basis wipe file cabinets, telephones, furniture and accessories with a water dampened cloth to remove spills, smudges and streaks. Use a mild detergent cleaning solution only if necessary. On an as needed basis sanitize all telephone receivers. Return chairs and waste baskets to their proper positions.

5. DOORS, JAMBS AND WALLS

On an as needed basis, all doors, jambs, walls and window mullions and glass partitions will be spot-cleaned to remove streaks, smudges, hand marks and spills. Give particular attention to areas such as doors, jambs and windows where it is reasonable to expect hand marks will be present. Dust and remove debris from all metal door thresholds.

6. TRASH REMOVAL AND TRASH LINERS

All trash from wastebaskets and trash barrels or other trash, which is identified as such, by signs or notices, will be removed from the premises and deposited in the designated areas for trash. Trash liners will be replaced as necessary but in no event less than weekly. Clean and sanitize trash, recycling and compost containers as required. Owner's composting and recycling program shall be adhered to and supported at all times.

7. RECYCLING

All recyclables from recycling containers or other recycling, which is identified as such, by signs or notices, will be removed from the premises and deposited in the designated areas for recycling. This includes recycling containers located at tenant employee desks as required by Owner's desk-side recycling program.

8. COMPOSTING

All compostables from compost containers typically located at conference rooms, kitchens, kitchenettes, lunch rooms, break rooms and coffee bars will be removed from the premises and deposited in the designated areas for composting. Compost liners will be replaced nightly.

9. DRINKING FOUNTAINS

Clean, sanitize and polish drinking fountains.

B. WEEKLY

1. FURNITURE

Wipe with treated dust cloth horizontal surfaces of furniture and using the appropriate polishing materials and equipment polish to a uniform shiny appearance. Wipe with a treated dust cloth all sides of furniture and legs on furniture on an as needed basis. Wipe all remaining surfaces, including window sills, which are not dusted during the nightly dusting. Dust all vinyl base.

2. CARPETED FLOORS

All carpeted floors will be vacuumed on a weekly basis.

3. UNCARPETED FLOORS

On a weekly basis floors, and in addition to the nightly service, uncarpeted floors are to be given special attention to ensure that edges, corners and small niches and areas behind doors are cleaned as well. Floor should dry free of any streaks or smudges. Dust all vinyl base.

4. THRESHOLDS

Clean and polish all metal door thresholds.

5. DUSTING

Dust all horizontal surfaces including horizontal window blinds, windowsills, air conditioner return grilles, tops of partitions and picture frames.

C. MONTHLY

1. HIGH DUSTING

All horizontal surfaces on furniture, ledges, wainscot, picture frames, wall hangings, etc., that are beyond the reach of normal nightly dusting, will be dusted using a treated dust cloth. All ceiling vents, vents located high on the walls or in ceilings, and light fixtures will be dusted using a treated dust cloth or mop.

2. VACUUM

Vacuum all upholstered furniture.

3. CARPETED FLOORS

All carpet edges will be vacuumed with an edging attachment. All carpeted floor areas that are not accessible with standard floor vacuums, but are easily visible will be vacuumed with portable vacuums. For example, desk wells, areas around planters and spaces between furniture. Move all plastic carpet protectors and thoroughly vacuum under and around all desk furniture.

4. WASTE RECEPTACLES

Wash all waste receptacles.

D. QUARTERLY

1. UNCARPETED FLOORS

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

2. HORIZONTAL WINDOW BLINDS

All horizontal window blinds shall be dusted on both sides with a treated dusting tool.

E. ANNUALLY

1. DUSTING

Dust ceiling surfaces other than acoustical ceiling material.

2. HORIZONTAL WINDOW BLINDS

Wipe down all vertical blinds at exterior windows as recommended by manufacturer and/or as needed.

VI. MEDICAL OFFICES / EXAM ROOMS / OBSERVATION ROOMS / CHILDREN'S PLAY AREAS

All medical offices, exam rooms, observation rooms and children's play areas shall be cleaned and maintained to the highest standard. Extra attention and care must be made with regard to cleanliness and sanitization of all hard surfaces, especially floors, baseboards, corners, doors and cabinet hardware, etc. Janitorial contractor should expect that these areas will be inspected regularly by Manager and Tenant and that the highest standards for these areas will need to be in place at all times. Proper personal protection shall be used by janitorial staff when cleaning such areas and janitorial contractor agrees to ensure adequate supervision of same is in place at all times.

One-way and Two-way glass exists in some of the observation rooms. This glass will be expected to be kept clean at all times.

VII. BASEMENT AND PARKING AREAS

A. NIGHTLY

1. GARAGE FLOORS

Interior parking areas are to be swept and kept clean. Report unusual conditions to the Manager.

2. WALLS, DOORS AND JAMBS

On an as needed basis, all walls, doors and jambs will be spot-cleaned to remove all hand marks, smudges, streaks and spills.

VIII. BUILDING EXTERIOR

A. NIGHTLY

1. SIDEWALKS AND RELATED AREAS

Inspections of sidewalks immediately outside of the main entrance will be made daily/nightly and any spills will be cleaned as appropriate.

1. STREET GUTTERS

Inspect gutters and remove large pieces of trash, broken glass, nails and other debris.

3. EXTERIOR FACADE

Inspect building's exterior facade for graffiti, spills, smudges and, if found, clean with appropriate materials. Any spill, smudge or graffiti that cannot be cleaned thoroughly shall be reported to the Manager.

B. MONTHLY

1. WINDOW FRAMES, LEDGES

Clean with clear water or a mild detergent solution if necessary, all horizontal window frames and ledges on the interior of the building. Care will be taken to touch up the glass panes if the cleaning of the window frames causes any smudges or streaks.

IX. STAIRWELLS

A. NIGHTLY

1. All stairwells will be policed nightly.

B. MONTHLY

1. All stairwells will be cleaned using a treated dust mop. The walls will be spot-cleaned as necessary.

X. JANITOR CLOSETS AND STORAGE AREAS

A. NIGHTLY

1. All janitor's closets, mop sinks, storage rooms or work areas, if applicable, provided by Manager for use by Contractor personnel, will be kept clean and orderly at all times. Mop sinks and the area immediately adjacent will be cleaned immediately after each use. Mops shall not be left in water or buckets. Service areas will be spot cleaned as necessary. Service area floors should be swept with a broom daily and dust mopped with a treated mop no less than once per week. Finished floors will be stripped and refinished.

B. WEEKLY

1. Damp mop all composition floors in storerooms. Deodorize and disinfect as required.

XI. DAY SERVICES (if applicable – Note – not included in base bid)

A. DAILY

1. The day janitors shall cover all janitorial problems and requests that arise during the day and shall perform the duties listed hereafter and any additional duties as may be requested by the Manager.

2. Police main lobby and entrance to building: trash pickup, ashtrays, spills, clean glass in the lobby doors (both main doors and garage lobby doors) and vacuuming of rain mats when in use.

3. Police and maintain elevator cabs.

4. Install and remove rain mats as necessary.
5. Respond and assist in the removal and cleanup of all water leakage in building common areas, restrooms and tenant suites.
6. Police lavatories at least twice per day to check for cleanliness and adequacy of paper supplies. Fill product dispensers as required.
7. Police and maintain exterior of building four times per day. This is to include the sidewalks and plaza areas.
8. Replace lamps in light fixtures as required. If lamp replacement does not correct the lighting problem, notify building engineering staff of the problem.

B. WEEKLY

1. Clean and polish standpipe fire hose connections on the exterior of building.
2. Clean entrance glass doors, inside and out.

EXTERIOR WINDOW GLASS IS EXCLUDED FROM THE SCOPE OF WORK

EXHIBIT E

BASE YEAR OPERATING COSTS BUDGET

[See attached]

EXHIBIT E

As of July 1, 2014					
Bldg Rentable	18,572	<u>Item</u>	<u>Annual Cost</u>	<u>PSF</u>	<u>Notes</u>
		Fixed Base Monthly Rent owed Landlord for the entire facility including parking (\$24,723.14 + 3% increase)	\$ 305,578.04		Increases each year by 3% on April 1, 2015.
		Bldg Annual Real Estate Operating Expenses			
		Utilities	\$ 38,400.00		
		Janitorial	\$ 41,400.00		
		Refuse & Recycling	\$ 12,000.00		
		Security	\$ 3,840.00		
		HOA dues	\$ 37,212.00		
		Insurance	\$ 5,360.00		
		Taxes	\$ -		
		Maintenance Contracts (F&LS, elevators, HVAC, etc)	\$ 11,280.00		
		Repairs	\$ 3,600.00		
		Admin & Management	\$ 30,850.00		
		Misc. (Op Permits, Pest control, window washing, etc)	\$ -		
		Total Operating Expenses	\$ 183,942.00		

OFFICE OF THE MAYOR
SAN FRANCISCO



EDWIN M. LEE
MAYOR

TO: Angela Calvillo, Clerk of the Board of Supervisors
FROM: *EW* Mayor Edwin M. Lee *EL*
RE: Sublease of Real Property at 3450 Third Street – San Francisco Child Abuse Prevention Center, a California nonprofit corporation –for an initial monthly rent of \$22,113.10
DATE: May 20, 2014

Attached for introduction to the Board of Supervisors is the resolution authorizing the retroactive sublease of approximately nine years, with effective date of April 1, 2014, for approximately 6,024 square feet of space at 3450 Third Street, San Francisco, with the San Francisco Child Abuse Prevention Center, a California nonprofit corporation, as Sublessor, for use by the Children's Advocacy Center of San Francisco through the Human Services Agency at the initial monthly rent of \$22,113.10 for the period from April 1, 2014 through March 31, 2015.

Please note this item is cosponsored by Supervisor Cohen.

I request that this item be calendared in Budget and Finance committee on June 4th.

Should you have any questions, please contact Jason Elliott (415) 554-5105.

cc. Supervisor Malia Cohen

RECEIVED
BOARD OF SUPERVISORS
SAN FRANCISCO

2014 MAY 20 PM 2:55

File No. _____

FORM SFEC-126:
NOTIFICATION OF CONTRACT APPROVAL
(S.F. Campaign and Governmental Conduct Code § 1.126)

City Elective Officer Information <i>(Please print clearly.)</i>	
Name of City elective officer(s): Members, Board of Supervisors	City elective office(s) held: Members, Board of Supervisors

Contractor Information <i>(Please print clearly.)</i>		
Name of contractor: San Francisco Child Abuse Prevention Center		
<p><i>Please list the names of (1) members of the contractor's board of directors; (2) the contractor's chief executive officer, chief financial officer and chief operating officer; (3) any person who has an ownership of 20 percent or more in the contractor; (4) any subcontractor listed in the bid or contract; and (5) any political committee sponsored or controlled by the contractor. Use additional pages as necessary.</i></p> <p>1) Board of Directors of San Francisco Child Abuse Prevention Center</p> <p>Natalie Delagnes Talbott, <i>Chair</i> David Glickman, <i>Co-Vice Chair</i> Doug Heske, <i>Co-Vice Chair</i> Melinda Ellis Evers, <i>Secretary</i> Jarrod Phillips, <i>Treasurer</i> Christopher Keane, <i>Past Chair</i> Dr. Shannon Thyne, <i>Past Chair</i> Darrach Bourke Barrett H. Cohn Mary J. Hansell, DrPH, RN Laura Harrison Ward Douglas Ismail Linda Moore Allen Nance Wayne Osborne Richard Pio Roda Judi Ratto Jessica Reed Saouaf Linda Song Wendel</p> <p>2) Chief Executive Officer, Katie Albright; Chief Financial Officer, Jarrod Phillips; Chief Operating Officer, N/A 3) N/A 4) None 5) None</p>		
Contractor address: San Francisco Child Abuse Prevention Center/ 1757 Waller Street San Francisco, CA 94117		
<table border="1"> <tr> <td>Date that contract was approved: <i>By the SF Board of Supervisors – pending approval</i></td> <td>Amount of contract: \$265,357.2 annually (\$22,113.10 per month) with an annual increase of 3% in rent, operating and tenant improvement costs</td> </tr> </table>	Date that contract was approved: <i>By the SF Board of Supervisors – pending approval</i>	Amount of contract: \$265,357.2 annually (\$22,113.10 per month) with an annual increase of 3% in rent, operating and tenant improvement costs
Date that contract was approved: <i>By the SF Board of Supervisors – pending approval</i>	Amount of contract: \$265,357.2 annually (\$22,113.10 per month) with an annual increase of 3% in rent, operating and tenant improvement costs	

Describe the nature of the contract that was approved: Sublease subject to Board of Supervisor and Mayor approval	
Comments:	

This contract was approved by (check applicable):

☐ the City elective officer(s) identified on this form

☒ a board on which the City elective officer(s) serves: San Francisco Board of Supervisors
Print Name of Board

☐ the board of a state agency (Health Authority, Housing Authority Commission, Industrial Development Authority Board, Parking Authority, Redevelopment Agency Commission, Relocation Appeals Board, Treasure Island Development Authority) on which an appointee of the City elective officer(s) identified on this form sits

Print Name of Board

Filer Information (Please print clearly.)	
Name of filer: Angela Calvillo, Clerk of the Board	Contact telephone number: (415) 554-5184
Address: City Hall, Room 244, 1 Dr. Carlton B. Goodlett Pl., San Francisco, CA 94102	E-mail: Board.of.Supervisors@sfgov.org

Signature of City Elective Officer (if submitted by City elective officer)

Date Signed

Signature of Board Secretary or Clerk (if submitted by Board Secretary or Clerk)

Date Signed