

SAMPLE FOR ILLUSTRATIVE PURPOSES ONLY

LEASE AND PROPERTY MANAGEMENT AGREEMENT , San Francisco, CA

This Lease and Property Management Agreement (“**Agreement**”), is entered into as of _____, 2024 (the “**Effective Date**”), by and between THE CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation (the “**City**”), and [_____], a [California nonprofit public benefit corporation] (“**Tenant**”). The City and Tenant together may be referred to herein as the “**Parties**.”

RECITALS

A. The City is the fee owner of the real property consisting of approximately _____ square feet of land, located in the City and County of San Francisco, commonly known as _____, Assessor Parcel Numbers Block _____, Lot _____ and more particularly described in the attached Exhibit A (“**Site**”), with improvements including an apartment building consisting of _____ apartments, ground floor commercial space, a central lobby, public lounges, common areas, rooftop garden, and other buildings and structures located on the Site and all apparatus, equipment, and appliances used in connection with the operation or occupancy of the Site and its improvements (the “**Project**”, and together with the Site, the “**Premises**”). The Premises is under the jurisdiction of the City’s Department of Homelessness and Supportive Housing (“**HSH**”).

B. Tenant was selected pursuant to Ordinance No. 61-19, which authorizes HSH to enter into contracts without adhering to the Administrative Code provisions regarding competitive bidding and other requirements for construction work, procurement, and personal services relating to the shelter crisis and a competitive solicitation issued by HSH on _____, to select a qualified supportive housing provider to operate and manage the Premises.

C. On [_____, 20__], the City’s Board of Supervisors and the Mayor approved Resolution No. [_____], authorizing the City to enter into this Agreement with the Tenant.

D. The City believes that the fulfillment of the terms and conditions of this Agreement are in the vital and best interests of the City and the health, safety, morals, and welfare of its residents, and in full accord with the public purposes and provisions of applicable laws.

E. City and Tenant wish to enter into this Agreement to provide for Tenant’s leasing, operation, and maintenance of the Premises.

NOW THEREFORE, in consideration of the mutual obligations of the parties hereto, the City and Tenant hereby agree as follows:

1. DEFINITIONS

Terms used herein have the meanings given them when first used or as set forth in this Section 1, unless the context clearly requires otherwise.

- 1.1. **Agents** means agents, affiliates, subsidiaries, licensees, contractors, subcontractors, and each of the persons acting by, through or under each of them, and their respective, legal representatives, successors and assigns.

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- 1.2. **Applicable Legal Requirements** means all applicable statutes, laws, ordinances, regulations, orders, writs, judgments, injunctions, decrees or awards of the United States or any state, county, municipality or governmental agency, including but not limited to fair housing laws.
- 1.3. **Commercial Space** means the ground floor commercial space in the Premises.
- 1.4. **Coordinated Entry System (CES)** means the system that is designed to assess, match and prioritize people experiencing homelessness to housing. The CES organizes the City's Homelessness Response System with a common, population-specific assessment, centralized data system, and prioritization method. Eligibility criteria for housing varies upon the subsidy funding source and may include meeting a definition of homelessness at the time of referral and placement, enrollment in specific benefits programs, income criteria and/or the ability to live independently within the structure of the housing program. Participants who meet eligibility criteria are prioritized based on various criteria, such as levels of vulnerability, length and history of homelessness, and severity of housing barriers.
- 1.5. **Effective Date** means the date that this Agreement is deemed to be entered into and effective, as set forth above.
- 1.6. **Existing Occupancy Agreements** has the meaning set forth in Section 5.3.3 hereof.
- 1.7. **Existing Residents** means PSH-Eligible Existing Residents and Other Existing Residents.
- 1.8. **Housing First Principles** means tenant screening and selection practices that promote accepting applicants regardless of their sobriety or use of substances, completion of treatment, or participation in services, and prohibit rejecting applicants on the basis of poor credit or financial history, poor or lack of rental history, criminal convictions unrelated to tenancy, or behaviors that indicate a lack of "housing readiness," as further described in California Welfare and Institutions Code section 8255.
- 1.9. **HSH** means the City's Department of Homelessness and Supportive Housing.
- 1.10. **Invitees** means all clients, customers, vendors, invitees, guests, or licensees, but excluding the PSH Residents and the Existing Residents.
- 1.11. **Operating Funding Agreement** has the meaning set forth in Section 5.2.2 hereof.
- 1.12. **Other Existing Residents** means any person who i) is authorized by City to occupy a residential unit on the Premises as of the Effective Date and ii) is not eligible for Permanent Supportive Housing as determined by HSH.
- 1.13. **Permanent Supportive Housing or PSH** means subsidized housing units that comply with PSH Program Rules and include on-site supportive services, including without limitation, intake and assessment of PSH Residents' needs, outreach to the PSH Residents to assist them with health or social needs, management of the health or social needs of PSH Residents, mediation of disputes with the property management, and referrals for services for the PSH Residents. Eligibility criteria for Permanent Supportive Housing varies upon the subsidy funding source and may include meeting a definition of homelessness at the time of referral and placement, enrollment in specific benefits programs, income criteria and/or the ability to live independently within the structure of the housing program. Individuals who meet eligibility

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criteria for Permanent Supportive Housing are prioritized based on various criteria, such as levels of vulnerability, length and history of homelessness, and severity of housing barriers.

- 1.14. **Project Operating Expenses** means the following costs, which may be paid from Project Income in the following order of priority to the extent of available Project Income: (a) all charges incurred in the operation of the Project for utilities, real estate and/or possessory interest taxes, assessments, and liability, fire, and other hazard insurance premiums; (b) salaries, wages, and other compensation due and payable to the employees or agents of the Tenant who maintain, administer, operate, or provide services in connection with the Permanent Supportive Housing at the Project, including all withholding taxes, insurance premiums, Social Security payments and other payroll taxes or payments required for such employees; (c) all other expenses actually incurred by the Tenant to cover routine operating and services provision costs of the Project, including maintenance and repair; (e) deposits to reserves accounts required to be established under this Agreement or by HSH under a separate agreement; (f) if applicable, approved annual asset management fees indicated in the Annual Operating Budget and approved in advance by the City; and (g) any extraordinary expenses as approved in advance by the City. Project Expenses does include Commercial Expenses, if applicable.
- 1.15. **Project Income** means all income and receipts in any form received by the Tenant from the use or operation of the Premises, including, but not limited to, the following: (a) rents, fees, charges, and deposits (other than Resident's refundable security deposits); (b) Section 8 or other rental subsidy payments received for the Residents and/or the Project; (c) price index adjustments and any other rental adjustments to leases or rental agreements; (d) proceeds from vending and laundry room machine; (e) the proceeds of business interruption or other insurance; (f) any accrued interest disbursed from any reserve account required under this Agreement for a purpose other than that for which the reserve account was established; (g) any reimbursements and other charges that may be paid to Tenant in connection with the Project; and (h) other consideration actually received from the Project, including non-residential uses of the Premises. Project Income does not include interest accruing on any Residents' refundable security deposits. Project Income does include Commercial Income, if applicable.
- 1.16. **PSH-Eligible Existing Residents** means any person who is i) authorized by City to occupy a residential unit on the Premises as of the Effective Date and ii) eligible for Permanent Supportive Housing as determined by HSH. PSH-Eligible Existing Residents will become PSH Residents once they execute a PSH Lease with Tenant in accordance with Section 5.3.1 hereof.
- 1.17. **PSH Lease** has the meaning set forth in Section 5.3.1 hereof.
- 1.18. **PSH Program Rules** means the program rules and requirements adopted by HSH, as amended from time to time, for the operation and use of Permanent Supportive Housing, including but not limited to the rules and requirements described in HSH's PSH Resident Selection Plan for the Premises, attached hereto as Exhibit C, and the PSH Lease.
- 1.19. **PSH Residents** means formerly homeless and income-eligible individuals or other households that HSH deems eligible for Permanent Supportive Housing, which are i) referred by City to Tenant through the Coordinated Entry System and/or other initiatives serving high priority individuals in coordination with the Coordinated Entry System, such as Shelter In Place hotel guests needing to be rehoused, high users of multiple systems of care, individuals being discharged from hospitals, or persons with behavioral health conditions and ii) have executed a PSH Lease with Tenant in accordance with Section 5.3.1 hereof.

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- 1.20. **Rehab Grant Agreement** has the meaning set forth in Section 5.7.3 hereof.
- 1.21. **Residents** means Existing Residents and PSH Residents.
- 1.22. **Residential Agreements** has the meaning set forth in Section 5.3.3 hereof.

2. PREMISES

2.1. **Premises.** Subject to the provisions of this Agreement, the City hereby leases to Tenant, and Tenant hereby leases from the City, the Premises, together with reasonable rights of ingress and egress to and from the Premises. Tenant has the non-exclusive right to use, together with any other tenants or sub-tenants authorized by City in the Project, the Commercial Space, central lobby, rooftop garden, lounges, corridors, elevators, stairways, and other public areas of the Premises (collectively, the “**Common Areas**”), and the non-exclusive right of access to and from the Premises by the main entrances to the Building and the Premises.

2.2. **As Is Condition.**

TENANT ACKNOWLEDGES AND AGREES THAT THE PREMISES ARE BEING LEASED AND ACCEPTED IN THEIR “**AS IS**” CONDITION, WITHOUT REPRESENTATION OR WARRANTY OF ANY KIND, AND SUBJECT TO ALL APPLICABLE LEGAL REQUIREMENTS) GOVERNING THEIR USE, OCCUPANCY, AND POSSESSION. TENANT REPRESENTS AND WARRANTS TO CITY THAT TENANT HAS INVESTIGATED AND INSPECTED, EITHER INDEPENDENTLY OR THROUGH AGENTS OF TENANT’S OWN CHOOSING, THE CONDITION OF THE PREMISES AND THE SUITABILITY OF THE PREMISES FOR TENANT’S INTENDED USE. BASED SOLELY ON ITS OWN INVESTIGATION, TENANT HAS DETERMINED THAT THE PREMISES ARE SUITABLE FOR TENANT’S BUSINESS AND INTENDED USE. TENANT ACKNOWLEDGES AND AGREES THAT NEITHER CITY NOR ANY OF ITS AGENTS HAVE MADE, AND CITY DISCLAIMS, ANY REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, CONCERNING THE PREMISES, THE PHYSICAL OR ENVIRONMENTAL CONDITION OF THE PREMISES, THE PRESENT OR FUTURE SUITABILITY OF THE PREMISES FOR TENANT’S BUSINESS, OR ANY OTHER MATTER WHATSOEVER RELATING TO THE PREMISES, INCLUDING ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

3. TERM

- 3.1. **Term.** The term of this Agreement (“**Term**”) will commence upon the Effective Date and will end on [_____, 2027] (“**Expiration Date**”), unless sooner terminated or extended as provided in this Agreement. City will deliver the Premises to Tenant on the Effective Date in their then existing as-is condition as provided in Section 2.2, with no obligation of City to make any improvements, repairs, or alterations to the Premises. In the event that the Operating Funding Agreement terminates and City is otherwise unable to fund the difference between Project Income and Project Expenses for the Premises, City or Tenant will have the right to terminate this Agreement upon at least [one hundred and eighty (180)] days written notice and without penalty.
- 3.2. **Extension Option.** The City and Tenant may mutually agree to extend the Term (the “**Extension Option**”) for up to an additional five (5) years (the “**Extension Term**”) commencing on the Expiration Date. City and Tenant may exercise the Extension Option at any time by mutually executed written notice no later than one hundred eighty (180) days before the Expiration Date, subject to any necessary City approvals. If the Extension Option is exercised, then this Agreement will cover the entire Premises for the Extension Term and will be upon all of the terms, covenants and conditions of this Agreement, and all references to the Term will then include the Extension Term.

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- 3.3. Holding Over. Any holding over after expiration of the Term without the City's consent will constitute a default by Tenant and will entitle the City to exercise any or all of its remedies as provided in this Agreement, even if the City elects to accept one or more payments of rent.
- 3.4. Termination Procedure. Upon termination of this Agreement, Tenant will assign to City, or to City's assignee, all security deposits, other Project funds (including all funds in reserve accounts), and Resident leases or occupancy agreements that have been assumed by Tenant as of the Effective Date or properly entered into by Tenant in accordance with this Agreement. City will assume all such funds and leases or occupancy agreements as of the date of the termination of this Agreement ("**Assumed Leases**"). In no event will Tenant be required to evict a Resident who has executed a Residential Agreement in conformity with this Agreement at the end of the Term. In addition, prior to termination of this Agreement, Tenant will provide to City a schedule setting forth a list of all other contracts or agreements that Tenant has entered into relating to the Premises, together with true and accurate copies of all such documents, for City's review. City will advise Tenant which contracts and agreements City has elected that Tenant will assign to City or City's assignee, and City or City's assignee will assume upon termination of this Agreement ("**Assumed Contracts**"). At or before the termination of this Agreement, Tenant will terminate any contracts or agreements other than the Assumed Contracts and the Assumed Leases, without liability to City or City's assignee.

4. RENT

As of the Effective Date, Tenant has paid to the City, as and for rent of the Premises for the Term hereunder, the sum of One Dollar and No/100 (\$1.00), the receipt of which is hereby acknowledged by the City.

5. MANAGEMENT & OPERATIONS

- 5.1. Permitted Uses. Tenant and City hereby acknowledge and agree that during the Term, Tenant will only use the Premises to operate, maintain, and manage the Premises i) as Permanent Supportive Housing in accordance with PSH Program Rules; ii) as residential housing for Existing Residents, if applicable; iii) in accordance with any funding or other agreements between City and Tenant; and iv) in accordance with all applicable restrictions and recorded conditions on title, including but not limited to a Project Homekey Declaration of Restrictive Covenants that will be recorded against the Premises on or after the Effective Date, and for no other purposes. The use of the Commercial Space will be governed by Section 5.14 hereof.
- 5.2. Project Income and Project Expenses; Operating Budget.
- 5.2.1. Tenant will collect all rents from Residents, and deposit all such funds in accordance with Section 6, below, which will be used in accordance with an operating budget approved by the City. All Project Income will be used to pay Project Expenses. [Any rents from Residents collected by City prior to or after the Effective Date will be transferred to Tenant's operating account for the Premises on or after the Effective Date.] Tenant will communicate and coordinate with local, state and/or federal agencies, as needed, to process rental subsidies for Residents. For Residents paying a portion of their income towards rent, Tenant will assist with payment arrangements and will comply with PSH Program Rules and other applicable requirements governing the tenant portion of rent.
- 5.2.2. [No later than [January 1 of each City fiscal year], Tenant will prepare and submit to the City a new annual operating budget covering the upcoming fiscal year ("**Annual**

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Operating Budget”) for City’s approval. The Annual Operating Budget will comply with generally accepted accounting principals and will be based on the anticipated Project Income, detailed estimate of all anticipated Project Expenses, and Operating Subsidy for the Project. The Annual Operating Budget will be subject to and comply with all applicable requirements described in a separate grant or other funding agreement between City and Tenant (the “**Operating Funding Agreement**”). In the event of conflict between this Agreement and the Operating Funding Agreement, the Operating Funding Agreement will control.]

5.3. Leasing.

- 5.3.1. New PSH Residents. Upon referral by HSH to Tenant of a prospective PSH Resident through the Coordinated Entry System or otherwise, and prior to move-in, Tenant will perform application review, and execute a lease agreement, including all applicable addenda, which addenda shall include but not be limited to house rules, grievance procedure, and HSH PSH lease addendum, on a form approved by the City (each, a “**PSH Lease**”) with each prospective PSH Resident. Tenant will review the PSH Lease in its entirety with each prospective PSH Resident at the time of lease signing, including the applicable grievance policies and procedures and all addenda. Tenant will keep a signed copy of the PSH Lease in each PSH Resident’s file.
- 5.3.2. PSH-Eligible Existing Residents. After the Effective Date, Tenant will use commercially reasonable efforts to enter into a PSH Lease within sixty (60) days of the Effective Date with all PSH-Eligible Existing Residents. Tenant will notify and coordinate with the City in the event that one or more PSH-Eligible Existing Residents do not execute a PSH Lease within sixty (60) days of the Effective Date.
- 5.3.3. Other Existing Residents. The rental or occupancy agreements for any Other Existing Residents (“**Existing Occupancy Agreements**”, and together with the PSH Leases, the “**Residential Agreements**”) will be assigned to Tenant on the Effective Date using the form of Assignment of Leases attached hereto as Exhibit B.
- 5.3.4. No Other Occupants. Tenant will not lease a unit nor enter into a new residential lease or rental agreement with anyone who is not referred to Tenant by HSH, without HSH’s prior written consent.
- 5.3.5. Housing First Principles, PSH Program Rules, and Applicable Legal Requirements. Tenant will adhere to and comply with Housing First Principles, PSH Program Rules, and Applicable Legal Requirements at all times, including but not limited to those principles, rules, and requirements regarding tenant intake, HSH housing documentation, reasonable accommodation, fair housing, and transfers when accepting referrals and placing PSH Residents into housing. Referrals must not be rejected on the basis of poor credit or financial history, poor or lack of rental history, criminal convictions unrelated to tenancy, or behaviors that indicate a lack of “housing readiness.”
- 5.3.6. Wellness Checks. Tenant will conduct wellness checks and/or emergency safety checks in accordance with HSH policy, internal agency policies and tenant laws to assess a Resident’s safety when there is a reason to believe the Resident is at immediate and substantial risk due to a medical and/or psychiatric emergency.

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- 5.3.7. Resident Feedback, Complaint and Follow-up Policies. Tenant will provide means for the Residents to provide input, including the planning, design, and level of satisfaction with services. Feedback methods must include:
- 5.3.7.1. A complaint process, including a written complaint policy informing the Residents how to report complaints; and
 - 5.3.7.2. A written annual survey provided to the Residents to gather feedback, measure satisfaction, and assess the effectiveness of services and systems provided at the Premises. Tenant will offer assistance to the Residents with survey completion.
- 5.3.8. Translation and Interpreter Services. Tenant will ensure that translation and interpreter services are available, as needed.
- 5.4. No Resident Displacement.
- 5.4.1. Tenant will be responsible for enforcing, and will take commercially reasonable actions to enforce, the terms and conditions of all Residential Agreements, including, without limitation, the collection of all such rents when due; the preparation and delivery to Residents of any appropriate late payment, default, or other notices; the conducting of exit interviews and walk-throughs; and the timely disbursement of all security deposits in accordance with this Agreement. Without violating any privacy or other Applicable Legal Requirements, Tenant will use commercially reasonable efforts to ensure that all Residents comply with the terms and conditions of their respective Residential Agreements.
 - 5.4.2. Tenant will not terminate the tenancy or refuse to renew any Residential Agreement, except for material or repeated violations of the terms and conditions of such Residential Agreement, for violation of Applicable Legal Requirements or other good cause. Any termination or refusal to renew a Residential Agreement for a Resident must be preceded by not less than thirty (30) days' written notice to the Resident specifying the grounds for the action.
 - 5.4.3. Tenant will at all times use a housing retention approach to enforcement of Residential Agreements, including, but not limited to, proactive engagement in collaboration with support services, conversations and mediations with Residents, and mediation strategies. Tenant will establish written agreements with support services and other service providers that provides services to the Premises to formalize collaboration and roles and responsibilities.
 - 5.4.4. If a Resident is facing housing instability, Tenant will coordinate with support services staff to find creative ways to engage with Residents to prevent housing loss. Tenant will initiate and participate in individual case conferences and team coordination meetings with HSH-approved programs, as needed, to coordinate and collaborate regarding Residents' housing stability. Tenant will work with support services staff in communicating with and meeting with Residents regarding behaviors and issues that put the Resident at risk for housing instability. Tenant will initiate and participate in regular coordination meetings with support services staff to review Residents at risk for eviction and strategize on how to support Residents in maintaining their housing. Tenant will copy support services staff on all written communications to Residents. Tenant will alert support services staff when Residents give notice to leave the Premises and will keep a record of each tenant's forwarding address, whenever possible.

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- 5.4.5. Tenant admission policies for services will be in writing and available to the public. Except to the extent that the services are to be rendered to a specific population as described in the programs listed herein, such policies must include a provision that the served population is accepted for care without discrimination on the basis of race, color, creed, religion, sex, age, national origin, ancestry, sexual orientation, gender identification, disability, or HIV status.
- 5.4.6. Tenant will integrate harm reduction principles into service delivery and agency structure as well as adhere to the requirements of Section III.e of the HSH Overdose Prevention Policy.
- 5.4.7. Tenant will provide written notice to Residents regarding issues that may impact housing stability including, but not limited to, discontinuance from benefits, non-payment of rent, lease violations or warnings, and conflicts with staff or other Residents.
- 5.4.8. Tenant will at all times comply with all applicable requirements and landlord obligations of the Residential Agreements.
- 5.4.9. Tenant will establish and maintain a written grievance procedure for Residents [subject to HSH approval], which will include, at minimum, the following elements:
 - 5.4.9.1. The name or title of the person or persons authorized to make a determination regarding the grievance;
 - 5.4.9.2. The opportunity for the aggrieved party to discuss the grievance with those who will be making the determination;
 - 5.4.9.3. The amount of time required for each step, including when a participant can expect a response; and
 - 5.4.9.4. In accordance with published HSH policies/procedures, the HSH Grievances email address and mailing address for the participant to contact after the participant has exhausted Tenant's internal grievance procedure.
 - 5.4.9.5. Tenant will post the grievance procedure at all times in a location visible to Residents, and provide a copy of the procedure and any amendments to HSH.
- 5.5. Income Certifications.
 - 5.5.1. Tenant will use commercially reasonable efforts to promptly obtain [initial and annual] income certifications for all [PSH] Residents using the standard certification form if required by HSH to comply with state Project Homekey funding or other City requirements. Annual income re-certifications should generally be completed on the anniversary of a [PSH] Resident's move-in date.
- 5.6. No Unlawful Uses or Nuisances.
 - 5.6.1. Tenant will not use or occupy any portion of the Premises, or permit the use or occupancy thereof, in violation of any Applicable Legal Requirements, or permit to be carried on any use: (a) in violation of the conditions of any certificate of occupancy or the recorded conditions on title; (b) that is prohibited by the insurance policies carried by Tenant; or (c) or that will increase in any way the existing premiums on (or otherwise affect) fire or any other insurance on the Premises or any personal property located on the Premises. Tenant will take all precautions to eliminate immediately any nuisances or hazards relating to its activities on or about the Premises.

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- 5.6.2. Tenant will not cause or permit any waste, damage or injury to any portion of the Premises.
- 5.6.3. Tenant will not cause or permit the dumping or other disposal on, under or about the Premises of landfill, refuse or Hazardous Material, except any landfill associated with permitted construction and landscaping activities.
- 5.7. Construction and Repairs.
 - 5.7.1. Tenant agrees that there will be no physical construction on the Premises during the Term, except in connection with any necessary repairs or alternations necessary to prepare the Premises or any portion thereof for occupancy as Permanent Supportive Housing. In addition, Tenant will not make or permit any Change (as defined below) in the Premises without the prior written approval of the City and subject to such terms and conditions as the City may reasonably be require. The City agrees not to unreasonably withhold, condition, or delay its response to such a request.
 - 5.7.2. “**Change**” as used in this Section means any alteration, modification, addition and/or substitution of or to the Premises and/or the density of the Project which differs materially from that which existed upon the Effective Date, and will include without limitation the interior or exterior design, Commercial Space tenant improvements or modifications, exterior materials and/or exterior color. For purposes of the foregoing, exterior will mean and include the roof of the Project. Changes will not include repairs or maintenance in the normal course of operation of the Premises, or as may be required in an emergency to protect the safety and well-being of the Residents, Tenant, or anyone lawfully permitted on the Premises.
 - 5.7.3. Tenant will partner with HSH to safeguard the physical and financial health of the Premises including: provide a capital needs assessment for review by HSH, and manage HSH-approved capital improvement plan for the Premises and other property financial performance and compliance reports detailed in the Operating Funding Agreement.
 - 5.7.4. City may elect to enter into one or more separate grant or funding agreements with Tenant for agreed upon improvements necessary for the long-term operations of the Premises (“**Rehab Grant Agreement**”).
- 5.8. Reporting.
 - 5.8.1. In addition to any reports required elsewhere in this Agreement, the Operating Funding Agreement, the Rehab Grant Agreement (if applicable), or any other agreement between City and Tenant related to the Premises, Tenant must:
 - 5.8.1.1. Submit annual reports to HSH, and to any other City department indicated in written notice to Tenant, on or before [October 1] of each calendar year, indicating the following information, as of [June 30] of the previous year: (a) whether a unit is vacant or occupied; (b) the income level of the Residents for each unit; (c) rental rates for each unit, including any rental subsidies; and (d) any other information reasonably required by the City to comply with Government Accounting Standards Board (GASB) reporting or otherwise. The first such report will be due no later than [September 1, 2022];
 - 5.8.1.2. On a quarterly basis (no later than the 15th day of the month following each quarter), submit to HSH a rent roll report reconciled quarterly to the General Operating Account statement. The rent roll must include monthly individual

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- resident rent collected by resident name and unit number and any delinquent rent owed and be submitted in a format required by the City; and
- 5.8.1.3. Provide any other information to confirm accuracy of rent roll and rent collected including reconciliation to Tenant's bank statements and annual external audit of Program Income and Expenses reasonably requested by City in a timely manner.
- 5.8.2. Tenant will ensure compliance with the Homeless Management Information System (HMIS) Participation Agreement, including but not limited to:
- 5.8.2.1. Entering all household data within three (3) working days (unless specifically requested to do so sooner);
- 5.8.2.2. Ensuring accurate dates for household enrollment, household exit, and household move in (if appropriate); and
- 5.8.2.3. Running monthly data quality reports and correcting any errors.
- 5.9. Communication With City, Trainings and Meetings. Tenant will keep HSH informed of program operations on the Premises and comply with HSH policies, training requirements, and participation in meetings, including but not limited to:
- 5.9.1. Regular communication with HSH about the implementation of the PSH program at the Premises;
- 5.9.2. Reporting of all critical incidents in accordance with the HSH instructions and published HSH policies/procedures;
- 5.9.3. Attendance at all meetings as required by HSH. This shall include quarterly HSH meetings; and
- 5.9.4. Attendance at all trainings (e.g., overdose prevention training), when required by HSH. Tenant will ensure all site-based or resident-facing staff and subcontractors are onboarded and trained to perform the services in accordance with Housing First, Harm Reduction, and Trauma-Informed Principles.
- 5.10. General Maintenance and Repair Obligations. Except as specifically provided herein, and to the extent consistent with the Annual Operating Budget, Tenant assumes full and sole responsibility for the condition, operation, repair, maintenance and management of the Premises and will keep the Premises in good condition as it is on the Effective Date and in a manner otherwise reasonably acceptable to the City. Subject to the approved Operating Budget, Tenant will use commercially reasonable efforts to make all routine repairs and replacements, interior and exterior, foreseen and unforeseen, that are necessary to maintain the Premises at all times in a clean, safe, attractive and sanitary condition and in good order and repair for safe and sanitary residential housing in accordance with local health, building and housing codes, California Health and Safety Code 17920.10 and the applicable provisions of 24 CFR Part 35, all to the extent reasonably feasible given the financial and physical condition of the Premises as of the Effective Date. In performing these functions, Tenant will:
- (a) Receive and investigate all requests for maintenance and repair from Residents and cause such routine repairs to be promptly and professionally completed when appropriate and warranted in accordance with the standards set forth in this Agreement.
- (b) Annually develop and implement a preventive maintenance schedule taking into account the remaining anticipated life of the units in the Premises. The preventive maintenance schedule will be presented to the City for its reasonable approval together with each year's Annual Operating Budget.

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(c) Contract with qualified independent contractors, in accordance with the Prevailing Wage Requirements, for the maintenance and repair of items that is not performed by regular maintenance employees. Tenant will consult with the HSH Director on which work items may be performed by Tenant's maintenance employees and which work items should be performed by third party contractors.

(d) Inform all Residents of the procedures to obtain maintenance and repair services during and after normal office hours, and in cases of an emergency.

(e) Maintain a log book containing reports of all service requests and maintenance repairs provided, copies of which will be subject to periodic inspection by the City.

(f) Purchase all materials, equipment, tools, and appliances, supplies and services necessary to ensure proper maintenance and repair of the Premises.

(g) Maintain in good condition all landscaping, grounds, and common areas for the Premises.

(h) Provide pest control services within the Premises as needed and use commercially reasonable efforts to keep the Premises reasonably free of pests at all times, subject to the prohibition on the use of pesticides as set forth below.

(i) Contract for trash collection with an entity permitted by the City and use commercially reasonable efforts to (i) ensure that the Premises are reasonably free from rubbish, debris and refuse at all times, and (ii) encourage maximum waste diversion consistent with City policies.

(j) Comply with any required inspections and apply for any permits as needed in order to allow for all building systems to maintain the appropriate licenses, permits, and certifications to ensure their safe and code compliant operation.

(k) Notify HSH immediately in the event it is given notice violations by the Department of Building Inspection (DBI), Department of Public Health (DPH), or another City agency relating to the Premises.

5.11. Disaster and Emergency Response Plan. Tenant will develop and maintain a Disaster and Emergency Response Plan containing site specific emergency response plan(s) for the Premises per HSH requirements. The Disaster and Emergency Response Plan must address disaster coordination at the Premises. Tenant will update the Disaster and Emergency Response Plan as needed, and Tenant will train all employees regarding the provisions of the Disaster and Emergency Response Plan for the Premises.

5.12. Unanticipated and Emergency Maintenance and Repairs. Tenant will perform all repairs that are necessary to avoid the suspension of necessary services to the Premises, even though such repairs were not anticipated in the Annual Operating Budget, but only to the extent Tenant receives prior consent of the HSH Director or Director's designee. Such unanticipated necessary repairs, if approved by the HSH Director or Director's designee, will be funded by Project Income or, if there is insufficient Project Income, will be funded in the Operating Funding Agreement. Notwithstanding the foregoing, Tenant will make all repairs that are immediately necessary for the preservation or protection of the Premises or the safety of Residents or other persons in or on the Premises ("**Emergency Repairs**"), without HSH prior approval and without

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limitation as to cost; provided, however, that in each such instance Tenant shall, before causing any such Emergency Repairs to be made, use commercially reasonable efforts to notify HSH of the emergency situation, and obtain the approval of the HSH Director, or Director's designee, of such Emergency Repairs. Tenant's reasonable costs of any such Emergency Repairs will be deemed an approved Project Expense, and will be funded by Project Income or, if there is insufficient Project Income, will be funded by the Operating Funding Agreement.

- 5.13. Issuance of Building Permits. Tenant will have the sole responsibility for obtaining all necessary building permits and will make application for such permits directly to the City's Department of Building Inspection.
- 5.14. Intentionally Omitted.
- 5.15. Lead Based Paint. For any repair or maintenance work performed by Tenant or Managing Agent under this Agreement, Tenant agrees to comply with the regulations issued by the Secretary of HUD set forth in 24 CFR Part 3 5 and all applicable rules and orders issued thereunder, to the extent practical or possible.
- 5.16. Limitation of Liability.
 - 5.16.1. Tenant, on behalf of itself and its Agents and Invitees, covenants and agrees that the City will not be responsible for or liable to Tenant for, and, to the fullest extent allowed by any Applicable Legal Requirements, Tenant hereby waives all rights against the City and releases it from, any and all claims, demands, losses, liabilities, damages, liens, injuries, penalties, fines, lawsuits and other proceedings, judgments and awards and costs and expenses, including, without limitation, reasonable attorneys' and consultants' fees and costs ("Losses"), whether direct or indirect, known or unknown, foreseen and unforeseen, arising from or related to the (i) the acts or omissions of Tenant, its Agents and Invitees, including any Residents, Commercial Space subtenant, or other occupants and (ii) the condition or use of the Premises.
 - 5.16.2. Notwithstanding the forgoing, City hereby acknowledges and agrees that Tenant will not be liable for any Losses arising from or related to the physical or environmental condition of the Premises existing prior to the Effective Date.
- 5.17. Commercial Space. Subject to City approval, Tenant will either i) use the Commercial Space as programming space for PSH Residents at the Premises and in accordance with PSH Program Rules, or ii) sublease the Commercial Space to a commercial tenant for commercial services, which sublease will be subject to City's approval in its sole discretion.
- 5.18. Utilities. Tenant will set up and manage utility accounts and services related to the Premises, including but not limited to communications, alarms/security, fire alarm monitoring, garbage, water, and pest control. This may include elevator maintenance, as required.
- 5.19. Front Desk Coverage. Tenant will provide front desk coverage 24 hours per day, seven days per week. Tenant implement policies and procedures pertaining to emergency backup and will train Tenant staff accordingly.
- 5.20. Good Neighbor Policies. Tenant will maintain a good relationship with the neighborhood surrounding the Premises, including: collaborating with neighbors and relevant City agencies to ensure that neighborhood concerns about the Premises are heard and addressed; responding to neighbors within three (3) business days, if reasonable; and ensuring that a Tenant representative attends all appropriate neighborhood meetings.

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6. ACCOUNTS

- 6.1. General Operating Account. Tenant will credit to a separate [interest-bearing] account (the “General Operating Account”) all Project Income, other than the security deposit payments to be deposited into the Security Deposit Account described below. The General Operating Account must be reconciled quarterly and submitted to the City along with a rent roll as described in Section 5.8.1.2.
- 6.2. Security Deposit Account. On or around the Effective Date, City will transfer the rights to any existing security deposits to Tenant. Tenant will deposit all security deposits collected in accordance with requirements of the Residential Agreements into a separate interest-bearing Security Deposit Account established for the benefit of the City, Tenant and Residents. Funds deposited in the Security Deposit Account may only be disbursed to pay the costs of any unpaid rent, damage, or unreasonable wear and tear caused by a Resident, or to reimburse the General Operating Account for payment of these costs; or to return to the Residents upon termination of his or her tenancy the portion of the security deposit not used in accordance with this Section. In collecting, handling, and disbursing these funds, Tenant will comply with the requirements of the California Civil Code, Section 1950.5 and Business and Professions Code Section 10145, provided that Tenant will not be liable for any security deposits that were not transferred or collected prior to the Effective Date. The Security Deposit Account will be held in a depository reasonably acceptable to the City whose deposits are insured by an agency of the federal government or other comparable federally insured program.
- 6.3. Reserve Accounts. Upon written notice from City to Tenant, City may require Tenant to establish operating, replacement, and/or other reserve accounts for the Premises.

7. TITLE TO IMPROVEMENTS

- 7.1. Improvements. Except for Tenant’s Personal Property (as defined in Section 7.2), all appurtenances, fixtures, improvements, equipment, additions, and other property used in connection with, attached or affixed to, or installed in the Premises as of the Effective Date or during the Term, will be and remain City’s property. Except if being replaced, Tenant will not remove any such property at any time during or after the Term unless City so requests.
- 7.2. Tenant’s Personal Property. All furniture, office equipment and articles of movable personal property installed in the Premises by or for the account of Tenant, that was not paid for by City or by using Project Income with the approval of the City, and that can be removed without structural or other damage to the Premises (collectively, “**Tenant’s Personal Property**”) will be and remain Tenant’s property. Tenant may remove Tenant’s Personal Property at any time during the Term. Tenant will pay any taxes or other impositions levied or assessed upon Tenant’s Personal Property, at least ten (10) days prior to delinquency, and will deliver satisfactory evidence of such payment to City upon request.

8. ASSIGNMENT, SUBLEASE OR OTHER CONVEYANCE

- 8.1. Tenant will not sell, assign, convey, sublease, or transfer in any other mode or form all or any part of its interest in this Agreement or in the Premises or any portion thereof, or allow any person or entity to occupy or use all or any part of the Premises, other than the Residential Agreements and sublease for the Commercial Space, if applicable and in accordance with Section 5.14, in the ordinary course of business, without the prior written approval of the City in its sole and absolute discretion.

9. TAXES

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- 9.1. Tenant agrees to pay, or cause to be paid, when due to the proper authority, any and all valid taxes, assessments and similar charges on the Premises which become effective after the Effective Date, including all taxes levied or assessed on the possession, use or occupancy, as distinguished from the ownership, of the Premises. Tenant will not permit any such taxes, charges or other assessments to become a defaulted lien on the Premises; provided, however, that in the event any such tax, assessment or similar charge is payable in installments, without any fee, interest, or penalty, Tenant may make, or cause to be made, payment in installments; and, provided further, that Tenant may contest the legal validity or the amount of any tax, assessment or similar charge, through such proceedings as Tenant considers necessary or appropriate, and Tenant may defer the payment thereof so long as the validity or amount thereof will be contested by Tenant in good faith and without expense to the City. In the event of any such contest, Tenant will protect, defend and indemnify the City against all loss, cost, expense or damage resulting there from, and should Tenant be unsuccessful in any such contest, Tenant will forthwith pay, discharge, or cause to be paid or discharged, such tax, assessment or other similar charge. The City will furnish such information as Tenant will reasonably request in connection with any such contest provided that such information is in City's possession, control or is otherwise available to the public, City hereby consents to and will reasonably cooperate with and assist Tenant in applying for and obtaining any applicable exemptions from taxes or assessments levied on the Premises or on Tenant's interest thereon.

10. UTILITIES

- 10.1 Tenant will procure water and sewer service from the City, and electricity, telephone, natural gas, trash collection services, and any other utility service from utility companies providing such services, and will pay all deposits, connection, installation, and use charges imposed in connection with such services as Project Expenses. In accordance with Administrative Code Chapter 99, as may be amended, HSH will coordinate with the San Francisco Public Utilities Commission ("SFPUC") to determine if it is feasible for the SFPUC to provide electricity service for the Premises. If the SFPUC determines, in its sole judgment and at any point during the Term of this Agreement, that it is feasible for the SFPUC to provide electricity service for the Premises, Tenant will purchase all electricity necessary for its operations at the Premises from the SFPUC, at the SFPUC's standard rates charged to third parties. The City will pay for any costs associated with converting to SFPUC-provided electricity service, if applicable. The SFPUC is the provider of electric services to City property, and the SFPUC's Interconnection Services Department will coordinate with Pacific Gas and Electric Company and others to implement this Section. Except as otherwise provided in this Agreement, the City has no responsibility or liability of any kind with respect to any utilities that may be on or about the Premises. Tenant has the sole responsibility to locate any utility facilities within the Premises and protect them from damage resulting from Tenant's use of the Premises.

11. LIENS AND ENCUMBRANCES

- 11.1. No Encumbrances. Notwithstanding any other provision of this Agreement and subject to the prior written consent of the City, in its sole and absolute discretion, no mortgage, deed of trust, assignment of rents, fixture filing, security agreement, or similar security instrument, or other lien or encumbrance or assignment or pledge of an asset is permitted to be placed upon the Premises.
- 11.2. Liens. Tenant will keep the Premises free from any liens arising out of any work performed or materials furnished by itself or its Agents. In the event that Tenant fails to cause any such lien to be released of record or bonded around within twenty (20) days following written notice from the City of the imposition of any such lien, the City will have, in addition to all other remedies provided herein and by law, the right but not the obligation to cause the same to be released by such means as it will deem proper, including payment of the claim giving rise to such

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lien. All sums paid by the City for such purpose, and all reasonable expenses incurred by it in connection therewith, will be payable to the City by Tenant on demand; provided, however, Tenant will have the right, upon posting of an adequate bond or other security, to contest any such lien, and the City will not seek to satisfy or discharge any such lien unless Tenant has failed to do so within ten (10) days after the final determination of the validity thereof. In the event of any such contest, Tenant will protect, defend, and indemnify the City against all loss, cost, expense or damage resulting therefrom.

12. DEFAULT AND REMEDIES

12.1. Application of Remedies. The provisions of this Article 12 will govern the Parties' remedies for breach of this Agreement.

12.2. Notice and Cure Rights for Tenant. The City will not exercise its remedies under this Agreement for a default by the Tenant unless and until (i) the City has given written notice of any such default, in accordance with the notice provisions herein, to Tenant, and (ii) such default has not been cured within [thirty (30) days, or such longer period as may be set forth herein, following the giving of such notice or, if such default cannot be cured within such 60-day period, such longer period as is reasonably necessary to cure such default, provided that such cure has been commenced within such 60-day period and is being prosecuted diligently to completion.

12.3. Breach by City. If Tenant believes that City has materially breached this Agreement, Tenant will first notify the City in writing of the purported breach, giving the City sixty (60) days from receipt of such notice to cure such breach. In the event City does not then cure or, if the breach is not reasonably susceptible to cure within that sixty (60) day period, begin to cure within sixty (60) days and thereafter diligently prosecute such cure to completion, then Tenant may either (i) terminate in writing this entire Agreement, or (ii) seek specific performance of this Agreement.

12.4. Breach by Tenant.

12.4.1. Default by Tenant.

Subject to the notice and cure rights under Section 12.2, the following events each constitute a basis for the City to take action against Tenant (each, an "**Event of Default**"):

- (1) Tenant fails to comply with the permitted uses set forth in Article 5 hereof, or any other Applicable Legal Requirements;
- (2) Tenant voluntarily or involuntarily assigns, transfers or attempts to transfer or assign this Agreement or any rights in this Agreement, or in the Premises, except as permitted by this Agreement;
- (3) Tenant fails to pay real estate taxes or assessments on the Premises or any part thereof when due, or places thereon any encumbrance or lien unauthorized by this Agreement, or suffers any levy or attachment to be made, or any material supplier's or mechanic's lien or any other unauthorized encumbrance or lien to attach, and such taxes or assessments have not been paid, or the encumbrance or lien removed or discharged; provided, however, that Tenant will have the right to contest any tax or assessment pursuant to this Agreement and, upon the posting of an adequate bond or other security, to contest any such lien or encumbrance. In the event of any such contest, Tenant will protect, indemnify, and hold City harmless against all losses and damages,

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including reasonable attorneys' fees and costs resulting therefrom;

- (4) Tenant (i) is adjudicated bankrupt or insolvent or made a transfer in fraud of creditors, (ii) makes an assignment for the benefit of creditors, or (iii) brings or has brought against Tenant any action or proceeding of any kind under any provision of the Federal Bankruptcy Act or under any other insolvency, bankruptcy or reorganization act and, in the event such proceedings are involuntary, Tenant is not dismissed from the same within sixty (60) days thereafter; or, a receiver is appointed for a substantial part of the assets of Tenant and such receiver is not discharged within sixty (60) days;
- (5) Tenant breaches any other material provision of this Agreement;
- (6) Tenant breaches any material provision of the Operating Funding Agreement, Rehab Grant Agreement (if applicable), or any other agreement between City and Tenant relating to the Premises; or
- (7) Tenant fails to pay any portion of rent or other payments when due in accordance with the terms and provisions of this Agreement.

12.4.2. Notification and City Remedies. Upon the occurrence of an Event of Default, and prior to exercising any remedies, City will notify Tenant in writing at the address listed in Article 24 hereof of the Tenant's purported breach, failure, or act, subject to the cure rights in Section 12.2. Upon the expiration of the applicable notice and cure period described in Section 12.2, City will have the right to exercise its legal and equitable remedies, including, without limitation, the right to terminate this Agreement or to seek specific performance of all or any part of this Agreement. In addition, where applicable, City will have the right (but not obligation) to cure (or cause to be cured) on behalf of Tenant any Event of Default; Tenant will pay to City on demand all costs and expenses incurred by City in effecting such cure, with interest thereon from the date of incurrence at the maximum rate then permitted by law. City will have the right to offset from any amounts due to Tenant under this Agreement or any other agreement between City and Tenant: (i) all damages, losses, costs or expenses incurred by City as a result of an Event of Default; and (ii) any liquidated damages levied upon Tenant pursuant to the terms of this Agreement; and (iii), any damages imposed by any ordinance or statute that is incorporated into this Agreement by reference, or into any other agreement with the City. This Section 12.4.2 will survive termination of this Agreement.

12.4.3. All remedies provided for in this Agreement may be exercised individually or in combination with any other remedy available hereunder or under applicable laws, rules and regulations. The exercise of any remedy will not preclude or in any way be deemed to waive any other remedy. Nothing in this Agreement will constitute a waiver or limitation of any rights that City may have under applicable law.

13. DAMAGE AND DESTRUCTION

- 13.1. If the Premises is damaged by fire or other casualty, then City [or its designee] will repair the same, provided that funds for such repairs are appropriated by City's Board of Supervisors, in its sole discretion, for such purpose and that such repairs can be made within [three hundred sixty-five (365)] days after the date of such damage (the "**Repair Period**"). In the event such conditions are satisfied, this Agreement will remain in full force and effect. City will use

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reasonable efforts to notify Tenant within ninety (90) days after the date of such damage whether or not such repairs can be made within the Repair Period, and City's determination thereof will be binding on Tenant.

- 13.2. If such repairs cannot be made within the Repair Period, City will have the option to notify Tenant of: (a) City's intention to repair such damage and diligently prosecute such repairs to completion within a reasonable period after the Repair Period, subject to the Board of Supervisor's appropriation of all necessary funds, in which event this Agreement will continue in full force and effect; or (b) City's election to terminate this Agreement as of a date specified in such notice, which date will be not less than thirty (30) nor more than sixty (60) days after notice is given by City. In case of termination, Tenant will pay rent and other amounts due hereunder up to the date of termination. Notwithstanding anything to the contrary in this Agreement, City will have no obligation to repair the Premises in the event the damage or destruction is attributable to any act or omission of Tenant, its officers, agents, invitees or employees, in which event this Agreement will terminate. In no event will City be required to repair any damage to Tenant's Personal Property. City and Tenant intend that the provisions of this Section govern fully in the event of any damage or destruction and accordingly, City and Tenant each hereby waives the provisions of Section 1932, subdivision 2, Section 1933, subdivision 4 and Sections 1941 and 1942, of the Civil Code of California or under any similar law, statute or ordinance now or hereafter in effect.

14. DAMAGE; HAZARDOUS MATERIALS; INDEMNIFICATION

- 14.1. Damage to Person or Property - General Indemnification. City will not in any event whatsoever be liable for any injury or damage to any person happening on or about the Site, for any injury or damage to the Premises, or to any property of Tenant, or to any property of any other person, entity or association on or about the Site, unless arising from or related to: (i) physical or environmental condition of the Premises existing prior to the Effective Date; or (ii) any gross negligence or willful misconduct of the City or any of its commissioners, officers, agents or employees. Tenant will defend, hold harmless and indemnify the City and its respective commissioners, officers, agents, and employees, of and from all Losses directly or indirectly arising from its tenancy, its use of the Site, including adjoining sidewalks and streets, and any of its operations activities thereon or connected thereto; provided, however, that this Article 14 will not be deemed or construed to and will not impose an obligation to indemnify and save harmless the City or any of its commissioners, officers, agents or employees from any Losses arising from or in any way related to or connected with : (i) physical or environmental condition of the Premises existing prior to the Effective Date; or (ii) any gross negligence or willful misconduct of the City or any of its commissioners, officers, agents or employees.

14.2. Hazardous Materials.

- 14.2.1. Tenant covenants and agrees that it will not, and will take commercially reasonable efforts to ensure that Tenant's Agents and Invitees do not, cause or permit any Hazardous Substance to be brought upon, kept, used, stored, generated or disposed of in, on or about the Premises or transported to or from the Premises in violation of Environmental Laws (as defined herein) without the prior written approval of the City.
- 14.2.2. Tenant will not, and Tenant will use commercially reasonable efforts to ensure that Tenant's Agents and Invitees do not, cause any Release (as defined herein) of Hazardous Substances in, on, under or about the Premises.
- 14.2.3. Tenant will indemnify, defend, and hold the City, and its commissioners, officers, agents and employees (individually, an "**Indemnified Party**" and collectively, the "**Indemnified Parties**") harmless from and against any and all losses, costs, claims, damages, liabilities, and causes of action of any nature whatsoever (including, without limitation, the reasonable fees and disbursements of counsel and engineering consultants) incurred by or asserted

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against any Indemnified Party in connection with, arising out of, in response to, or in any manner relating to Tenant's violation of any Environmental Law, or any Release, threatened Release and any condition or Hazardous Substance related nuisance on, under or from the Premises, except to the extent it arises from the existing condition of the Premises as of the Effective Date or any gross negligence or willful misconduct of the City or any of its commissioners, officers, agents or employees.

14.2.4. For purposes of this Section, the following definitions will apply:

- 14.2.4.1. **"Hazardous Substance"** will have the meaning set forth in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended as of the date of this Agreement, 42 U.S.C. 9601(14), and in addition will include, without limitation, petroleum (including crude oil or any fraction thereof) and petroleum products, asbestos, asbestos-containing materials, polychlorinated biphenyls ("PCBs"), PCB-containing materials, all hazardous substances identified in the California Health & Safety Code Section 25316 and Section 25281(d), all chemicals listed pursuant to the California Health & Safety Code 25249.8, and any substance deemed a hazardous substance, hazardous material, hazardous waste, or contaminant under Environmental Law. The foregoing definition will not include substances which occur naturally on the Site or that which are reasonably and customarily used in the operation and maintenance of a multifamily housing development.
- 14.2.4.2. **"Environmental Law"** will include all federal, state and local laws, regulations and ordinances governing hazardous waste, wastewater discharges, drinking water, air emissions, Hazardous Substance releases or reporting requirements, Hazardous Substance use or storage, and employee or community right-to-know requirements related to the work being performed under this Agreement.
- 14.2.4.3. **"Release"** will mean any spillage, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing into the environment, including the abandonment or discharging of barrels, containers, and other closed receptacles containing any Hazardous Substance.

15. INSURANCE

15.1 During the Term, Tenant will procure and maintain insurance against claims for injuries to persons or damage to property that may arise from or in connection with the performance of any work by the Tenant, its agents, representatives, employees or subcontractors and the Tenant's use and occupancy of the Premises.

15.2 Minimum Scope of Insurance. Tenant will obtain and maintain, and cause its contractors, subcontractors, and/or agents, as appropriate for each, to obtain and maintain, insurance and bonds as follows:

(a) to the extent Tenant or its contractors and subcontractors have "employees" as defined in the California Labor Code, workers' compensation insurance with employer's liability limits not less than One Million Dollars (\$1,000,000) each accident, injury or illness;

(b) commercial general liability insurance, with limits no less than Two Million Dollars (\$2,000,000) combined single limit per occurrence and Four Million Dollars (\$4,000,000) annual aggregate limit for bodily injury and property damage, including coverage for contractual liability; personal injury; fire damage legal liability; advertisers' liability; owners' and contractors' protective liability; products and completed operations; broad form property

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damage; and explosion, collapse and underground (XCU) coverage during any period in which Tenant is conducting any activity on, alteration or improvement to the Site with risk of explosions, collapse, or underground hazards;

(c) business automobile liability insurance, with limits not less than One Million Dollars (\$1,000,000) each occurrence, combined single limit for bodily injury and property damage, including owned, hired and non-owned auto coverage, as applicable;

(d) professional liability insurance of no less than Two Million Dollars (\$2,000,000) per claim and Four Million Dollars (\$4,000,000) annual aggregate limit covering all negligent acts, errors and omissions of Tenant's architects, engineers and surveyors. If the professional liability insurance provided by the architects, engineers, or surveyors is "Claims made" coverage, Tenant will assure that these minimum limits are maintained for no less than three (3) years beyond completion of the constructions or remodeling. Any deductible over Fifty Thousand Dollars (\$50,000) each claim will be reviewed by Risk Management;

(e) a crime policy or fidelity bond covering Tenant's officers and employees against dishonesty with respect to the Funds of no less than Seventy Five Thousand Dollars (\$75,000) each loss, with any deductible not to exceed Five Thousand Dollars (\$5,000) each loss, including the City as additional obligee or loss payee;

(f) as applicable, pollution liability and/or asbestos pollution liability covering the work being performed with a limit no less than Two Million Dollars (\$2,000,000) per claim or occurrence and Two Million Dollars (\$2,000,000) annual aggregate per policy. This coverage will be endorsed to include Non-Owned Disposal Site coverage. This policy may be provided by the Tenant's contractor, provided that the policy will be "claims made" coverage and Tenant will require Tenant's contractor to maintain these minimum limits for no less than three (3) years beyond completion of the construction or remodeling;

(g) Boiler and machinery insurance, comprehensive form, covering damage to, loss or destruction of machinery and equipment located on the Site that is used by Tenant for heating, ventilating, air-conditioning, power generation, and similar purposes, in an amount not less than one hundred percent (100%) of the actual then-current replacement value of such machinery and equipment; and

(h) Property insurance, excluding earthquake, in the amount no less than One Hundred Percent (100%) of the then-current replacement value of all improvements and City property in the care, custody, and control of the Tenant or its contractor.

15.3 Commercial Space. Tenant will require that all nonresidential tenants' liability insurance policies include Tenant and the City as additional insureds, as their respective interests may appear. Throughout the term of any lease of Commercial Space, Tenant will require commercial tenants to maintain insurance as follows:

(a) to the extent the tenant has "employees" as defined in the California Labor Code, workers' compensation insurance with employer's liability limits not less than One Million Dollars (\$1,000,000) each accident;

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(b) commercial general liability insurance, with limits not less than One Million Dollars (\$1,000,000) each occurrence, combined single limit for bodily injury and property damage, including coverage for contractual liability; personal injury; advertisers' liability; including coverage for loss of income due to an insured peril for twelve (12) months; owners' and contractors' protective; broadform property damage; explosion, collapse and underground (XCU); products and completed operations coverage;

(c) business automobile liability insurance, with limits not less than One Million Dollars (\$1,000,000) each occurrence, combined single limit for bodily injury and property damage, including owned, hired and non-owned auto coverage, as applicable;

(d) with respect to any tenant who has (or is required by Law to have) a liquor license and who is selling or distributing alcoholic beverages and/or food products on the leased premises, to maintain liquor and/or food products liability coverage with limits not less than One Million Dollars (\$1,000,000), as appropriate;

(e) special form coverage insurance, including vandalism and malicious mischief, in the amount of 100% of the full replacement cost thereof, covering all furnishings, fixtures, equipment, leasehold improvements, alterations and property of every kind of the tenant and of persons claiming through the tenant; and

(f) full coverage plate glass insurance covering any plate glass on the commercial space.

15.4 Deductibles and Self-Insured Retentions. Any deductibles or self-insured retentions in excess of \$[25,000] must be declared to and approved by the City's Risk Manager. At the option of City's Risk Manager, either: the insurer will reduce or eliminate the deductibles or self-insured retentions with respect to the City and County of San Francisco, and their respective commissioners, members, officers, agents, and employees; or the Tenant must procure a financial guarantee satisfactory to the City's Risk Manager guaranteeing payment of losses and related investigations, claim administration, and defense expenses.

15.5 Other Insurance Provisions. The policies must contain, or be endorsed to contain, the following provisions:

(i) General Liability and Automobile Liability Coverage: The "City and County of San Francisco and their respective commissioners, members, officers, agents, and employees" are to be covered as additional insured with respect to: liability arising out of activities performed by or on behalf of the Tenant related to the Project; products and completed operations of the Tenant, premises owned, occupied or used by the Tenant related to the Project; and automobiles owned, leased, hired, or borrowed by the Tenant for the operations related to the Project. The coverage may not contain any special limitations on the scope of protection afforded to the City and its Commissioners, members, officers, agents, or employees.

(ii) Workers' Compensation and Property Insurance: The insured will agree to waive all rights of subrogation against the "City and County of San Francisco, and their respective commissioners, members, officers, agents, and employees" for any losses in connection with this Project.

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(iii) Claims-made Coverage: If any of the required insurance is provided under a claims-made form, Tenant will maintain such coverage continuously throughout the Term and, without lapse, for a period of three years beyond the expiration of this Agreement, to the effect that, if occurrences during the contract term give rise to claims made after expiration of the Agreement, then those claims will be covered by the claims-made policies.

(iv) All Coverage. Each insurance policy required by this Article must:

(1) Be endorsed to state that coverage will not be suspended, voided, canceled by either party, or reduced in coverage or in limits, except after thirty (30) days' prior written notice has been given to City, except in the event of suspension for nonpayment of premium, in which case ten (10) days' notice will be given.

(2) Contain a clause providing that the City and its officers, agents and employees will not be liable for any required premium.

(3) For any claims related to this Agreement, the Tenant's insurance coverage will be primary insurance with respect to the City and its commissioners, members, officers, agents, and employees. Any insurance or self-insurance maintained by the City or its commissioners, members, officers, agents, or employees will be in excess of the Tenant's insurance and will not contribute with it.

(4) The Tenant's insurance will apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

(5) Any failure to comply with reporting provisions of the policies will not affect coverage provided to the City and its commissioners, members, officers, agents, or employees.

(6) Approval of Tenant's insurance by the City will not relieve or decrease the liability of Tenant under this Agreement.

(7) The City reserves the right to require an increase in insurance coverage, including both coverage amounts and types of insurance, or otherwise change the insurance requirements of this Agreement, if the City determines that conditions (including, but not limited to, property conditions, market conditions, or commercially reasonable practice) show cause for an increase, unless Tenant demonstrates to the City's satisfaction that the increased coverage is commercially unreasonable and unavailable to Tenant. Upon any such increase or change, Tenant will have a reasonable period, but in no event less than ninety (90) days, to obtain the requisite insurance.

15.6 Acceptability of Insurers. All insurers must have a Best's rating of no less than A-VIII or as otherwise approved by the City's Risk Manager.

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- 15.7 Verification of Coverage. Tenant will furnish City with certificates of insurance and with original endorsements effecting coverage required by this clause at the commencement of this Agreement and annually thereafter. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. City reserves the right to require complete, certified copies of all required insurance policies, including endorsements demonstrating the coverage required by these specifications at any time.
- 15.8 Contractor, Subcontractors, and Consultants Insurance. Tenant must include all subcontractors and consultants as additional insureds under its policies or furnish separate certificates and endorsements for each. Tenant will require the subcontractor(s) and consultants to provide all necessary insurance and to name the City and County of San Francisco, and their respective commissioners, members, officers, agents, and employees and the Tenant as additional insureds. All coverage for subcontractors and consultants will be subject to all of the requirements stated herein unless otherwise approved by the City's Risk Manager.

16. COMPLIANCE WITH SITE-RELATED AND LEGAL REQUIREMENTS

- 16.1. Compliance with Legal Requirements. Tenant will comply with all Applicable Legal Requirements, statutes, ordinances and governmental rules, regulations or requirements now in force or which may hereafter be in force, with the requirements of any board of fire underwriters or other similar body now or hereafter constituted, with any direction or occupancy certificate issued pursuant to any law by any public officer or officers, with respect to the condition, use or occupancy of the Premises. In the event Tenant contests any Applicable Legal Requirement, Tenant will not be obligated to comply therewith to the extent that the application of the contested law, statute, ordinance, rule, regulation or requirement is stayed by the operation of law or administrative or judicial order. Tenant will indemnify City for any Loss relating to any such contest by Tenant.
- 16.2. Regulatory Approvals. Tenant understands and agrees that the City is entering into this Agreement in its capacity as a landowner with a proprietary interest in the Premises and not as a regulatory agency with certain police powers. Tenant understands and agrees that neither entry by the City into this Agreement nor any approvals given by the City under this Agreement will be deemed to imply that Tenant will obtain any required approvals from City departments, boards or commissions that have jurisdiction over the Premises. By entering into this Agreement, the City is in no way modifying or limiting the obligations of Tenant to develop the Premises in accordance with all Applicable Legal Requirements and as provided in this Agreement.

17. ENTRY

- 17.1. The City reserves for itself and its authorized representatives the right to enter the Premises at all reasonable times during normal business hours upon not less than forty-eight (48) hours' written notice to Tenant (except in the event of an emergency), subject to the rights of the Residents and others lawfully permitted on the Property, for any of the following purposes:
- 17.1.1.1. to determine whether the Premises is in good condition and to inspect the Premises;
 - 17.1.1.2. to determine whether Tenant is in compliance with its Agreement obligations and to cure or attempt to cure any Tenant default;
 - 17.1.1.3. to serve, post or keep posted any notices required or allowed under any of the provisions of this Agreement; and
 - 17.1.1.4. to do any maintenance or repairs to the Premises that the City has the right or the obligation, if any, to perform hereunder.

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- 17.2. In the event of any emergency, as reasonably determined by the City, at its sole option and without notice, the City may enter the Premises and alter or remove any Tenant's personal property on or about the Premises as reasonably necessary, given the nature of the emergency. The City will have the right to use any and all means the City considers appropriate to gain access to any portion of the Premises in an emergency, in which case, the City will not be responsible for the replacement of any property, and no emergency entry may be deemed to be a forcible or unlawful entry onto or a detainer of the Premises, or an eviction, actual or constructive, of Tenant from the Premises or any portion thereof.
- 17.3. The City will not be liable in any manner for any inconvenience, disturbance, loss of business, nuisance or other damage arising out of the City's entry onto the Premises, except to the extent damage arises out of the gross negligence or willful misconduct of the City or its agents. The City will be responsible for any losses resulting from its gross negligence or willful misconduct and will repair any resulting damage promptly.
- 17.4. Tenant will not be entitled to any abatement in rent or other amounts due under this Agreement if the City exercises any rights reserved in this Section, subject to subsection 17.3 above.
- 17.5. The City will use its reasonable good faith efforts to conduct any activities on the Premises allowed under this Section in a manner that, to the extent practicable, will minimize any disruption to Tenant's use hereunder.

18. CONDEMNATION AND TAKINGS

- 18.1. Parties' Rights and Obligations to be Governed by Agreement. If, during the Term, there is any condemnation of all or any part of the Premises is taken by condemnation, the rights and obligations of the parties will be determined pursuant to this Article 18.
- 18.2. Total Taking. If the Premises is totally taken by condemnation, this Agreement will terminate on the date the condemnor has the right to possession of the Premises.
- 18.3. Partial Taking. If any portion of the Premises is taken by condemnation, this Agreement will remain in effect, except that Tenant may elect to terminate this Agreement if, in Tenant's reasonable judgment, the remaining portion of the Premises is rendered unsuitable for Tenant's continued use of the Premises. If Tenant elects to terminate this Agreement, Tenant must exercise its right to terminate pursuant to this paragraph by giving notice to the City within [sixty (60)] days after the City notifies Tenant of the nature and the extent of the taking. If Tenant elects to terminate this Agreement as provided in this Section 18.3, Tenant also will notify the City of the date of termination, which date will not be earlier than ninety (90) days nor later than six (6) months after Tenant has notified the City of its election to terminate; except that this Agreement will terminate as to the portions of the Premises taken by the condemnor on the date the condemnor takes possession of that portion of the Premises. If Tenant does not terminate this Agreement within such sixty (60) day notice period, this Agreement will continue in full force and effect.
- 18.4. Award and Distribution. Any compensation awarded, paid or received on a total or partial condemnation of the Premises or threat of condemnation of the Premises will belong to and be distributed in the following order:

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- 18.4.1. First, to pay the balance due on any outstanding or unpaid obligations and/or liabilities, including but not limited to, trade accounts, taxes, payroll accruals and residuals, to the extent provided therein; and
- 18.4.2. Second, to the City.

19. SURRENDER

Upon expiration or sooner termination of this Agreement, Tenant will surrender the Premises to the City in good order and condition, subject to normal wear and tear, and, at the City's request, will execute, acknowledge, and deliver to the City a good and sufficient quitclaim deed with respect to any interest of Tenant in the Premises. Normal wear and tear will not include any damage or deterioration that would have been prevented had Tenant properly performed its obligations under this Agreement. The Premises will be surrendered free and clear of all liens and encumbrances arising out of Tenant's acts other than liens and encumbrances approved by the City and rights of Residents in units occupied at the end of the Term. Immediately before the expiration or termination of this Agreement, Tenant will remove all of Tenant's Personal Property as provided in this Agreement and repair any damage resulting from such removal. Tenant's obligations under this Section will survive the expiration or termination of this Agreement. Any items of Tenant's Personal Property remaining in the Premises after the expiration or termination of this Agreement may, at the City's option, be deemed abandoned and disposed of in accordance with Section 1980 et seq. of the California Civil Code or in any other manner allowed by Applicable Legal Requirements. The City agrees to assume all Resident leases and occupancy agreements at the end of the Term, entered into by Tenant in conformity with this Agreement. In no event will Tenant be required to evict a Resident who has executed a Residential Agreement in conformity with this Agreement at the end of the Term.

20. EQUAL OPPORTUNITY

In the selection of all contractors and professional consultants for any work on the Premises, Tenant will comply with the requirements of Chapter 14B of the San Francisco Administrative Code ("**LBE Ordinance**") according to the procedures established by the City's Contract Monitoring Division. If federal funds are used by City or Tenant in connection with the Premises, the Premises will be subject to the requirements of Section 3 of the Housing and Community Development Act of 1968 and of the San Francisco Section 3 program as required. Federal Section 3 requirements state that contracts and opportunities for job training and employment be given, to the greatest extent feasible, to local low-income residents. Local residents for the purposes of this Agreement are San Francisco residents. In addition, any work on the Premises will be required to comply with hiring requirements as incorporated into the local Section 3 program and in conjunction with the City's low-income hiring requirements pursuant to San Francisco's First Source Hiring Ordinance (San Francisco Administrative Code Chapter 83).

21. NO PERSONAL LIABILITY

No commissioner, official, or employee of the City will be personally liable to Tenant or any successor in interest in the event of any default or breach by the City or for any amount which may become due to Tenant or its successors or on any obligations under the terms of this Agreement.

22. WAIVER

The waiver by the City or Tenant of any term, covenant, agreement or condition herein contained will not be deemed to be a waiver of any subsequent breach of the same or any other term, covenant, agreement or condition herein contained, nor will any custom or practice which may grow up between the parties in the administration of the terms hereof be construed to waive or to lessen the right of the City or Tenant to insist upon the performance by the other in strict accordance with the said terms. The subsequent acceptance of rent or any other sum of money hereunder by the City will not be deemed to be a waiver of any preceding breach by Tenant of any term, covenant, agreement or

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condition of this Agreement, other than the failure of Tenant to pay the particular rent or other sum so accepted, regardless of the City's knowledge of such preceding breach at the time of acceptance of such rent or other sum. Any waiver must be in writing and signed by the party that is waiving its rights under this Agreement. Any City consent under this Agreement will not relieve Tenant of any obligation to secure City's consent in any other or future instance as required by this Agreement.

23. RECORDS

Upon reasonable notice during normal business hours, and as often as the City may deem necessary, there will be made available to the City and its authorized representatives for examination all records, reports, data and information made or kept by Tenant regarding its activities or operations on the Premises. To the extent that it is permitted by law to do so, the City will respect the confidentiality requirements of Tenant in regard to the lists furnished by Tenant pursuant to this Agreement, of the names of occupants of the Premises.

24. NOTICES AND CONSENTS

All notices, demands, consents or approvals which may be or are required to be given by either party to the other hereunder will be in writing and will be deemed to have been fully given when delivered in person to such representatives of Tenant and the City as will from time to time be designated by the parties for the receipt of notices, or when deposited in the United States mail, certified, postage prepaid, or by express delivery service with a delivery receipt and addressed

if to Tenant at: []

if to City at: Department of Homelessness and Supportive Housing
440 Turk Street
San Francisco, CA 94102
Attn: Administration & Finance Division

with a copy to: Office of the City Attorney
City Hall, Room 234
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4682
Attn: RE/Finance
Fax No.: (415) 554-4755

or to such other address with respect to either party as that party may from time to time designate by notice to the other given pursuant to the provisions of this Article 26. Any notice given pursuant to this Article 24 will be effective on the date of delivery or the date delivery is refused as shown on the delivery receipt.

25. COMPLETE AGREEMENT

There are no oral agreements between Tenant and the City affecting this Agreement, and this Agreement supersedes and cancels any and all previous negotiations, arrangements, agreements and understandings between Tenant and the City with respect to the Agreement of the Premises, including but not limited to the Agreement between Tenant and City dated as of _____. The parties intend that this Agreement constitutes the complete and exclusive statement of its terms and no extrinsic evidence whatsoever (including prior drafts and changes) may be introduced in any judicial, administrative, or other legal proceeding involving this Agreement. Tenant acknowledges that

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neither City nor City's Agents have made any representations or warranties with respect to the Premises or this Agreement except as expressly set forth in this Agreement.

26. HEADINGS

Any titles of the several parts and sections of this Agreement are inserted for convenience of reference only and will be disregarded in construing or interpreting any of its provisions. "Paragraph" and "section" may be used interchangeably.

27. SUCCESSORS AND ASSIGNS

This Agreement will be binding upon and inure to the benefit of the successors and assigns of the City and Tenant and where the term "Tenant" or "City" is used in this Agreement, it will mean and include their respective successors and assigns; provided, however, that the City will have no obligation under this Agreement to, nor will any benefit of this Agreement accrue to, any unapproved successor or assign of Tenant where City approval of a successor or assign is required by this Agreement. At such time as City sells or transfers its interests in the Premises to any third party, City may elect to terminate or assign this Agreement to such third party, provided that if City elects to assign this Agreement to such third party, City will require such third party to assume all of City's obligations hereunder arising on and after the transfer in writing for the benefit of Tenant and its successors and assigns.

28. TIME

Time is of the essence in the enforcement of the terms and conditions of this Agreement.

29. PARTIAL INVALIDITY

If any provisions of this Agreement will be determined to be illegal or unenforceable, such determination will not affect any other provision of this Agreement and all such other provisions will remain in full force and effect.

30. APPLICABLE LAW; NO THIRD PARTY BENEFICIARY

This Agreement will be governed by and construed pursuant to the laws of the State of California. This Agreement is entered into solely among, between, and for the benefit of, and may be enforced only by, the Parties hereto and does not create rights in any other third party.

31. SEVERABILITY

If any provision of this Agreement or the application thereof to any person, entity or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement, or the application of such provision to persons, entities or circumstances other than those as to which it is invalid or unenforceable, will not be affected thereby, and each other provision of this Agreement will be valid and be enforceable to the fullest extent permitted by Applicable Legal Requirements.

32. EXECUTION IN COUNTERPARTS

This Agreement and any memorandum hereof may be executed in counterparts, each of which will be considered an original, and all of which will constitute one and the same instrument.

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33. AUTHORITY

Tenant hereby represents and warrants that it is a California nonprofit public benefit corporation and has full rights, power and authority to enter into and perform its obligations under this Agreement.

34. PREVAILING WAGE AND WORKING CONDITIONS

Any undefined, initially-capitalized term used in this Section has the meaning given to that term in San Francisco Administrative Code Section 23.61. Tenant will require its Contractors and Subcontractors performing (i) labor in connection with a “public work” as defined under California Labor Code Section 1720 et seq. (which includes certain construction, alteration, maintenance, demolition, installation, repair, carpet laying, or refuse hauling work if paid for in whole or part out of public funds) or (ii) Covered Construction, at the Premises to (1) pay workers performing such work not less than the Prevailing Rate of Wages, (2) provide the same hours, working conditions, and benefits as in each case are provided for similar work performed in San Francisco County, and (3) employ Apprentices in accordance with San Francisco Administrative Code Section 23.61 (collectively, “Prevailing Wage Requirements”). Tenant will cooperate with the City in any action or proceeding against a Contractor or Subcontractor that fails to comply with the Prevailing Wage Requirements.

Tenant will include, and will require its subtenants, and Contractors and Subcontractors (regardless of tier) to include, the Prevailing Wage Requirements and the agreement to cooperate in City enforcement actions in any Construction Contract with specific reference to San Francisco Administrative Code Section 23.61. Each such Construction Contract must name the City and County of San Francisco, affected workers, and employee organizations formally representing affected workers as third party beneficiaries for the limited purpose of enforcing the Prevailing Wage Requirements, including the right to file charges and seek penalties against any Contractor or Subcontractor in accordance with San Francisco Administrative Code Section 23.61. Tenant’s failure to comply with its obligations under this Section will constitute a material breach of this Agreement. A Contractor’s or Subcontractor’s failure to comply with this Section will enable the City to seek the remedies specified in San Francisco Administrative Code Section 23.61 against the breaching party. For the current Prevailing Rate of Wages, contact the City’s Office of Labor Standards Enforcement.

35. CITY PROVISIONS

35.1. Public Transit Information

At its sole expense, Tenant will establish and carry on during the Term a program to encourage maximum use of public transportation by personnel of Tenant employed on the Premises, including the distribution of written materials to personnel explaining the convenience and availability of public transportation facilities adjacent or near the Building and encouraging use of them.

35.2. Taxes, Assessments, Licenses, Permit Fees, and Liens

35.2.1. Tenant recognizes and understands that this Agreement may create a possessory interest subject to property taxation and Tenant may be subject to the payment of property taxes levied on its possessory interest. In addition, if the Term, including any extension options, is thirty-five (35) years or more, then Tenant will be obligated to pay real property transfer tax upon execution of the Lease.

35.2.2. Tenant will pay to the proper authority on or before when due all taxes and assessments of every kind, including, but not limited to, possessory interest taxes lawfully assessed on the leasehold interest created by this Agreement or any subleasehold interest in the Premises,

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real property transfer taxes, real and personal property taxes, general and special assessments, and all license fees, permit fees, and all other governmental charges of any kind or nature whatsoever, and to pay all other taxes, excises, licenses, permit charges, and assessments based on Tenant's use of the Premises or any transfer of a leasehold interest or subleasehold interest in the Premises (including, but not limited to, any transfer of the leasehold interest in the Premises pursuant to this Agreement) and imposed by Legal Requirements, whether in effect at the time this Agreement is entered into or that become later effective. Without limiting the foregoing, Tenant will pay all real property transfer taxes imposed on any transfer of a leasehold interest or subleasehold interest in the Premises (including but not limited to the transfer of the Premises pursuant to this Agreement). Tenant further recognizes and agrees that its leasehold interest may be subject to the payment of special taxes, including without limitation a levy of special taxes to finance energy efficiency, water conservation, water pollution control and similar improvements under the Special Tax Financing Law in Chapter 43 Article X of the Administrative Code.

35.2.3. Tenant will not allow or suffer a lien for any taxes, assessments, or other charges to be imposed on the Premises or on any equipment or property located in the Premises without promptly discharging the lien, provided that Tenant, if it desires, may have reasonable opportunity to contest the legal validity or the amount of any tax, assessment, or similar charge so long as the tax, assessment, or charge does not become a defaulted lien. In the event of any disputed tax, assessment, or similar charge, Tenant will Indemnify City, and their Agents from and against all resulting Claims.

35.2.4. San Francisco Administrative Code Sections 23.38 and 23.39 require that certain information relating to the creation, renewal, extension, assignment, sublease, or other transfer of this Agreement be provided to the County Assessor within sixty (60) days after the transaction. Accordingly, Tenant must provide a copy of this Agreement, and any renewals, extensions, Assignment documents, Sublease documents, or any other transfers of the Premises or the Lease to the County Assessor not later than sixty (60) days after the full execution of the foregoing, and any failure of Tenant to timely provide a copy of this Agreement, and any renewals, extensions, Assignment document, Sublease documents, or any other transfers of the Premises or the Lease to the County Assessor will be a default under this Agreement. Tenant will also timely provide any information that City may request to ensure compliance with this or any other reporting requirement.

35.3. **Non-Discrimination in City Contracts and Benefits Ordinance**

(a) Covenant Not to Discriminate. In the performance of this Agreement, Tenant will not discriminate against any employee, any City employee working with Tenant, or applicant for employment with Tenant, 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 protected classes, or in retaliation for opposition to discrimination against protected classes.

(b) Subleases and Other Subcontracts. Tenant will include in all Subleases and other subcontracts relating to the Premises a non-discrimination clause applicable to the Subtenant or other subcontractor in substantially the form of subsection (a) above. In addition, Tenant will incorporate by reference in all subleases and other subcontracts the provisions of Sections 12B.2(a), 12B.2(c)-(k), and

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12C.3 of the San Francisco Administrative Code and require all subtenants and other subcontractors to comply with those provisions. Tenant's failure to comply with the obligations in this subsection will constitute a material breach of this Agreement.

(c) **Non-Discrimination in Benefits.** Tenant does not as of the date of this Agreement and will not during the Term, in any of its operations in San Francisco, on real property owned by City, or where the work is being performed for City elsewhere within the United States, discriminate in the provision of bereavement leave, family medical leave, health benefits, membership or membership discounts, moving expenses, pension and retirement benefits, or travel benefits, as well as any benefits other than the benefits specified above, between employees with domestic partners and employees with spouses, and/or between the domestic partners and spouses of the employees, where the domestic partnership has been registered with a governmental entity under the Legal Requirements authorizing that registration, subject to the conditions set forth in Section 12B.2(b) of the San Francisco Administrative Code.

(d) **CMD Form.** As a condition to this Agreement, Tenant will execute the "Chapter 12B Declaration: Nondiscrimination in Contracts and Benefits" form (Form CMD-12B-101) with supporting documentation and secure the approval of the form by the San Francisco Contract Monitoring Division. Tenant represents that before execution of this Agreement, (i) Tenant executed and submitted to the CMD Form CMD-12B-101 with supporting documentation, and (ii) the CMD approved the form.

(e) **Incorporation of Administrative Code Provisions by Reference.** The provisions of Chapters 12B and 12C of the San Francisco Administrative Code relating to non-discrimination by parties contracting for the lease of City property are incorporated in this Section by reference and made a part of this Agreement as though fully set forth in this Agreement. Tenant will comply fully with and be bound by all of the provisions that apply to this Agreement under those Chapters of the Administrative Code, including the remedies provided in those Chapters. Without limiting the foregoing, Tenant understands that under 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 the person was discriminated against in violation of the provisions of this Agreement may be assessed against Tenant and/or deducted from any payments due Tenant.

35.4. No Relocation Assistance; Release of Claims

Tenant acknowledges that it will not be a displaced person at the time this Agreement is terminated or expires by its own terms, and Tenant fully RELEASES AND DISCHARGES forever any and all Claims against, and covenants not to sue, City, its departments, commissions, officers, directors, and employees, and all persons acting by, through or under each of them, under any Legal Requirements, including any and all claims for relocation benefits or assistance from City under federal and state relocation assistance Legal Requirements (including California Government Code Section 7260 et seq.), except as otherwise specifically provided in this Agreement with respect to a Taking/Condemnation.

35.5. MacBride Principles—Northern Ireland

The provisions of San Francisco Administrative Code Section 12F are incorporated by this reference and made part of this Agreement. By signing this Agreement, Tenant confirms that Tenant has read and understood that City urges companies doing business in Northern Ireland to resolve employment inequities and to abide by the MacBride Principles, and urges San Francisco companies to do business with corporations that abide by the MacBride Principles.

35.6. Tropical Hardwood and Virgin Redwood Ban; Preservative-Treated Wood Containing Arsenic

City 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 product. Except as expressly permitted by the application of Sections 802(b) and 803(b) of the San Francisco Environment Code, Tenant will not provide any items to the construction of the Premises or the Alterations, or otherwise

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in the performance of this Agreement, that are tropical hardwoods, tropical hardwood wood products, virgin redwood, or virgin redwood wood products. If Tenant fails to comply with any of the provisions of Chapter 8 of the San Francisco Environment Code, Tenant will be liable for liquidated damages for each violation in any amount equal to Tenant's net profit on the contract, or five percent (5%) of the total amount of the contract dollars, whichever is greater. Tenant may not purchase preservative-treated wood products containing arsenic in the performance of this Agreement unless an exemption from the requirements of Environment Code Chapter 13 is obtained from the Department of Environment.

35.7. Restrictions on the Use of Pesticides

(a) Chapter 3 of the San Francisco Environment Code (the Integrated Pest Management Program Ordinance or "**IPM Ordinance**") describes an integrated pest management ("**IPM**") policy to be implemented by all City departments. Tenant may not use or apply or allow the use or application of any pesticides on the Premises or contract with any party to provide pest abatement or control services to the Premises without first receiving City's written approval of an IPM plan that (i) lists, to the extent reasonably possible, the types and estimated quantities of pesticides that Tenant may need to apply to the Premises during the Term, (ii) describes the steps Tenant will take to meet City's IPM Policy described in Section 300 of the IPM Ordinance, and (iii) identifies, by name, title, address, and telephone number, an individual to act as the Tenant's primary IPM contact person with City. Tenant will comply, and will require all of Tenant's contractors to comply, with the IPM plan approved by City and will comply with the requirements of Sections 300(d), 302, 304, 305(f), 305(g), and 306 of the IPM Ordinance, as if Tenant were a City department. Among other matters, the provisions of the IPM Ordinance: (i) provide for the use of pesticides only as a last resort, (ii) prohibit the use or application of pesticides on City property, except for pesticides granted an exemption under Section 303 of the IPM Ordinance (including pesticides included on the most current Reduced Risk Pesticide List compiled by City's Department of the Environment), (iii) impose certain notice requirements, and (iv) require Tenant to keep certain records and to report to City all pesticide use at the Premises by Tenant's staff or contractors.

(b) If Tenant or Tenant's contractor would apply pesticides to outdoor areas at the Premises, Tenant will first obtain a written recommendation from a person holding a valid Agricultural Pest Control Advisor license issued by the California Department of Pesticide Regulation ("**CDPR**") and the pesticide application will be made only by or under the supervision of a person holding a valid, CDPR-issued Qualified Applicator certificate or Qualified Applicator license. City's current Reduced Risk Pesticide List and additional details about pest management on City property can be found at the San Francisco Department of the Environment website, <http://sfenvironment.org/ipm>.

35.8. 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 City and persons or firms seeking contracts will be open to inspection immediately after a contract has been awarded. Nothing in this provision requires the disclosure of a private person's or organization's net worth or other proprietary financial data submitted for qualification for a contract, lease, agreement or other benefit until and unless that person or organization is awarded the contract, lease, agreement, or benefit. Information provided that is covered by this Section will be made available to the public on request.

35.10. Conflicts of Interest

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

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35.11. Charter Provisions

This Agreement is governed by and subject to the provisions of City's Charter and Municipal Code.

35.12. Drug-Free Workplace

Tenant acknowledges that under the Federal Drug-Free Workplace Act of 1989, the unlawful manufacture, distribution, possession, or use of a controlled substance under federal Legal Requirements is prohibited on City premises. Any violation of this prohibition by Tenant, its Agents, or assigns will be a material breach of this Agreement.

35.13. Prohibition of Tobacco Sales and Advertising

Tenant acknowledges and agrees that no advertising of cigarettes or tobacco products is allowed on the Premises. This advertising prohibition includes the placement of the name of a company producing cigarettes or tobacco products or the name of any cigarette or tobacco product in any promotion of any event or product. In addition, Tenant acknowledges and agrees that no Sales, Manufacture, or Distribution of Tobacco Products (as such capitalized terms are defined in Health Code Section 19K.1) is allowed on the Premises and such prohibition must be included in all subleases or other agreements allowing use of the Premises. The prohibition against Sales, Manufacture, or Distribution of Tobacco Products does not apply to persons who are affiliated with an accredited academic institution where the Sale, Manufacture, and/or Distribution of Tobacco Products is conducted as part of academic research.

35.14. Prohibition of Alcoholic Beverage Advertising

No advertising of alcoholic beverages is allowed on the Premises. For purposes of this section, "alcoholic beverage" is defined as set forth in California Business and Professions Code Section 23004, and does not include cleaning solutions, medical supplies, and other products and substances not intended for drinking. This advertising prohibition includes the placement of the name of a company producing alcoholic beverages or the name of any alcoholic beverage in any promotion of any event or product.

35.15. Requiring Health Benefits for Covered Employees

(a) Unless exempt, Tenant will comply fully with and be bound by all of the provisions of the Health Care Accountability Ordinance ("HCAO"), as set forth in San Francisco Administrative Code Chapter 12Q, including the remedies provided, and implementing regulations, as they may be amended from time to time. The provisions of Chapter 12Q are incorporated into this Agreement by reference and made a part of this Agreement as though fully set forth. The text of the HCAO is available on the web at <http://www.sfgov.org/olse/hcao>. Capitalized terms used in this Section and not defined in this Agreement have the meanings assigned to those terms in Chapter 12Q.

(b) For each Covered Employee, Tenant will provide the appropriate health benefit set forth in Section 12Q.3 of the HCAO. If Tenant chooses to offer the health plan option, the health plan must meet the minimum standards set forth by the San Francisco Health Commission.

(c) Notwithstanding the above, if the Tenant is a small business as defined in Section 12Q.3(e) of the HCAO, it will have no obligation to comply with subsection (a) above.

(d) Tenant's failure to comply with the HCAO will constitute a material breach of this Agreement. City may notify Tenant if a breach has occurred. If, within thirty (30) days after receiving City's written notice of a breach of this Agreement for violating the HCAO, Tenant fails to cure the breach or, if the breach cannot reasonably be cured within the thirty (30) days period, and Tenant fails to commence efforts to cure within that period, or fails diligently to pursue the cure to completion, then City will have the right to pursue the remedies set forth in Section 12Q.5(f)(1-5). Each of these remedies will be exercisable individually or in combination with any other rights or remedies available to City.

(e) Any Subcontract entered into by Tenant will require the Subcontractor to comply with the requirements of the HCAO and contain contractual obligations substantially the same as those set

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forth in this Section. Tenant will notify City's Purchasing Department when it enters into a Subcontract and will certify to the Purchasing Department that it has notified the Subcontractor of the obligations under the HCAO and has imposed the requirements of the HCAO on Subcontractor through the Subcontract. Each Tenant will be responsible for its Subcontractors' compliance with this Chapter. If a Subcontractor fails to comply, City may pursue the remedies set forth in this Section against Tenant based on the Subcontractor's failure to comply, provided that City has first provided Tenant with notice and an opportunity to cure the violation.

(f) Tenant may not discharge, reduce in compensation, or otherwise discriminate against any employee for notifying City regarding Tenant's compliance or anticipated compliance with the requirements of the HCAO, for opposing any practice proscribed by the HCAO, for participating in proceedings related to the HCAO, or for seeking to assert or enforce any rights under the HCAO by any lawful means.

(g) Tenant represents and warrants that it is not an entity that was set up, or is being used, for the purpose of evading the intent of the HCAO.

(h) Tenant will keep itself informed of the current requirements of the HCAO.

(i) Tenant will provide reports to City in accordance with any reporting standards promulgated by City under the HCAO, including reports on Subcontractors and Subtenants, as applicable.

(j) Tenant will provide City with access to records pertaining to compliance with HCAO after receiving a written request from City to do so and being provided at least five (5) business days to respond.

(k) City may conduct random audits of Tenant to ascertain its compliance with HCAO. Tenant will cooperate with City when it conducts the audits.

(l) If Tenant is exempt from the HCAO when this Agreement is executed because its amount is less than Fifty Thousand Dollars (\$50,000), but Tenant later enters into an agreement or agreements that cause Tenant's aggregate amount of all agreements with City to reach Seventy-Five Thousand Dollars (\$75,000), then all the agreements will be thereafter subject to the HCAO. This obligation arises on the effective date of the agreement that causes the cumulative amount of agreements between Tenant and the Contracting Department to be equal to or greater than Seventy-Five Thousand Dollars (\$75,000) in the fiscal year.

35.16. Notification of Prohibition on Contributions

For the purposes of this Section, a "City Contractor" is a party that contracts with, or seeks to contract with, the City for the sale or leasing of any land or building to or from the City whenever such transaction would require the approval by a City elective officer, the board on which that City elective officer serves, or a board on which an appointee of that individual serves. Through its execution of this Agreement, Tenant acknowledges that it is familiar with Section 1.126 of the San Francisco Campaign and Governmental Conduct Code, which prohibits a City Contractor from making any campaign contribution to (1) the City elective officer, (2) a candidate for the office held by such individual, or (3) a committee controlled by such individual or candidate, at any time from the commencement of negotiations for the contract until the later of either the termination of negotiations for that contract or twelve (12) months after the date that contract is approved. Tenant acknowledges that the foregoing restriction applies only if the contract or a combination or series of contracts approved by the same individual or board in a fiscal year have a total anticipated or actual value of \$100,000 or more. Tenant further acknowledges that (i) the prohibition on contributions applies to Tenant, each member of Tenant's board of directors, Tenant's chief executive officer, chief financial officer and chief operating officer, any person with an ownership interest of more than ten percent (10%) in Tenant, any subcontractor listed in the contract, and any committee that is sponsored or controlled by Tenant, and (ii) within thirty (30) days of the submission of a proposal for the contract, the City department seeking to enter into the contract must notify the Ethics Commission of the

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parties and any subcontractor to the contract. Additionally, Tenant certifies it has informed each of the persons described in the preceding sentence of the prohibitions contained in Section 1.126 by the time it submitted a proposal for the contract to the City, and has provided the names of the persons required to be informed to the City department seeking to enter into that contract within thirty (30) days of submitting its contract proposal to the City department receiving that submittal, and acknowledges the City department receiving that submittal was required to notify the Ethics Commission of those persons.

35.17. Public Access to Meetings and Records.

If Tenant receives a cumulative total per year of at least \$250,000 in City funds or City-administered funds and is a non-profit organization as defined in Chapter 12L of the San Francisco Administrative Code, Tenant will comply with and be bound by all the applicable provisions of that Chapter. By executing this Agreement, Tenant agrees to open its meetings and records to the public in the manner set forth in Sections 12L.4 and 12L.5 of the Administrative Code. Tenant further agrees to make good-faith efforts to promote community membership on its Board of Directors in the manner set forth in Section 12L.6 of the Administrative Code. Tenant acknowledges that its material failure to comply with any of the provisions of this paragraph will constitute a material breach of this Agreement. Tenant further acknowledges that such material breach of the Agreement will be grounds for City to terminate and/or not renew this Agreement, partially or in its entirety.

35.18 Resource Efficient City Buildings

Tenant acknowledges that City 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 City. Tenant will comply with all applicable provisions of those code sections.

35.19. Food Service and Packaging Waste Reduction Ordinance

Tenant will comply with and is bound by all of the applicable provisions of the Food Service and Packaging Waste Reduction Ordinance, as set forth in the San Francisco Environment Code, Chapter 16, including the remedies provided therein, and implementing guidelines and rules. The provisions of Chapter 16 are incorporated into this Agreement by reference and made a part of this Agreement as though fully set forth. Accordingly, Tenant acknowledges that City contractors and lessees may not use Food Service Ware for Prepared Food in City Facilities and while performing under a City contract or lease (1) where the Food Service Ware is made, in whole or in part, from Polystyrene Foam, (2) where the Food Service Ware is not Compostable or Recyclable, or (3) where the Food Service Ware is Compostable and not Fluorinated Chemical Free. The capitalized terms (other than Tenant and City) in the previous sentence are defined in San Francisco Environment Code Section 1602.

35.20. San Francisco Packaged Water Ordinance

Tenant will comply with San Francisco Environment Code Chapter 24 (“**Chapter 24**”). Tenant may not sell, provide, or otherwise distribute Packaged Water, as defined in Chapter 24 (including bottled water), in the performance of this Agreement or on City property unless Tenant obtains a waiver from City’s Department of the Environment. If Tenant violates this requirement, City may exercise all remedies in this Agreement and the Director of City’s Department of the Environment may impose administrative fines as set forth in Chapter 24.

35.21. Criminal History in Hiring and Employment Decisions

(a) Unless exempt, Tenant will comply with and be bound by all of the provisions of San Francisco Administrative Code Chapter 12T (Criminal History in Hiring and Employment Decisions), as amended from time to time (“**Chapter 12T**”), which are incorporated into this Agreement as if fully set forth, with respect to applicants and employees of Tenant who would be or are performing work at the Premises.

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(b) Tenant will incorporate by reference the provisions of Chapter 12T in all subleases of some or all of the Premises, and require all subtenants to comply with those provisions. Tenant's failure to comply with the obligations in this subsection will constitute a material breach of this Agreement.

(c) Tenant and subtenants may not inquire about, require disclosure of, or if the information is received base an Adverse Action on an applicant's or potential applicant for employment, or employee's: (i) Arrest not leading to a Conviction, unless the Arrest is undergoing an active pending criminal investigation or trial that has not yet been resolved; (ii) participation in or completion of a diversion or a deferral of judgment program; (iii) a Conviction that has been judicially dismissed, expunged, voided, invalidated, or otherwise rendered inoperative; (iv) a Conviction or any other adjudication in the juvenile justice system; (v) a Conviction that is more than seven years old, from the date of sentencing; or (vi) information pertaining to an offense other than a felony or misdemeanor, such as an infraction.

(d) Tenant and subtenants may not inquire about or require applicants, potential applicants for employment, or employees to disclose on any employment application the facts or details of any conviction history, unresolved arrest, or any matter identified in subsection (c) above. Tenant and subtenants may not require that disclosure or make any inquiry until either after the first live interview with the person, or after a conditional offer of employment.

(e) Tenant and subtenants will state in all solicitations or advertisements for employees that are reasonably likely to reach persons who are reasonably likely to seek employment with Tenant or subtenant at the Premises, that the Tenant or subtenant will consider for employment qualified applicants with criminal histories in a manner consistent with the requirements of Chapter 12T.

(f) Tenant and subtenants will post the notice prepared by the Office of Labor Standards Enforcement ("OLSE"), available on OLSE's website, in a conspicuous place at the Premises and at other workplaces within San Francisco where interviews for job opportunities at the Premises occur. The notice will be posted in English, Spanish, Chinese, and any language spoken by at least 5% of the employees at the Premises or other workplace at which it is posted.

(g) Tenant and subtenants understand and agree that on any failure to comply with the requirements of Chapter 12T, City will have the right to pursue any rights or remedies available under Chapter 12T or this Agreement, including a penalty of \$50 for a second violation and \$100 for a subsequent violation for each employee, applicant, or other person as to whom a violation occurred or continued, or termination of this Agreement in whole or in part.

(h) If Tenant has any questions about the applicability of Chapter 12T, it may contact City's Real Estate Division for additional information. City's Real Estate Division may consult with the Director of City's Office of Contract Administration who may also grant a waiver, as set forth in Section 12T.8.

35.22. Vending Machines; Nutritional Standards

Tenant may not install or permit any vending machine on the Premises without the prior written consent of the HSH Director. Any permitted vending machine will comply with the food and beverage nutritional standards and calorie labeling requirements set forth in San Francisco Administrative Code Section 4.9-1(c), as may be amended from time to time (the "**Nutritional Standards Requirements**"). Tenant will incorporate the Nutritional Standards Requirements into any contract for the installation of a vending machine on the Premises or for the supply of food and beverages to that vending machine. Failure to comply with the Nutritional Standards Requirements or to otherwise comply with this Section 29.22 will be a material breach of this Agreement. Without limiting Landlord's other rights and remedies under this Agreement, Landlord will have the right to require the immediate removal of any vending machine on the Premises that is not permitted or that violates the Nutritional Standards Requirements.

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35.23. All-Gender Toilet Facilities

If applicable, Tenant will comply with San Francisco Administrative Code Section 4.1-3 requiring at least one all-gender toilet facility on each floor of the Building where extensive renovations are made. An “all-gender toilet facility” means a toilet that is not restricted to use by persons of a specific sex or gender identity by means of signage, design, or the installation of fixtures, and “extensive renovations” means any renovation where the construction cost exceeds 50% of the cost of providing the toilet facilities required by Administrative Code Section 4.1-3. If Tenant has any question about applicability or compliance, Tenant should contact the HSH Director of Property for guidance.

35.24. Tenant’s Compliance with City Business and Tax Regulations Code

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

35.25. Consideration of Salary History

In addition to Tenant’s obligations as an employer under San Francisco Police Code Article 33J, Tenant must comply with San Francisco Administrative Code Chapter 12K. For each employment application to Tenant for work of eight (8) or more hours per week at the Premises, Tenant must not consider the applicant’s current or past salary (a “**Salary History**”) in deciding whether to hire the applicant or what salary to offer the applicant unless the applicant voluntarily discloses that Salary History without prompting. In addition, Tenant must not (1) ask those applicants about their Salary History, (2) refuse to hire, or otherwise disfavor, injure, or retaliate against applicants that do not disclose their Salary History, or (3) disclose a current or former employee’s Salary History without that employee’s authorization unless it is required by law, publicly available, or subject to a collective bargaining agreement.

Tenant is subject to the posting, enforcement, and penalty provisions in Chapter 12K. Information about Chapter 12K is available on the web at <https://sfgov.org/olse/consideration-salary-history>.

35.26. Contractor Vaccination Requirements.

(1) Tenant acknowledges that it has read the requirements of the 38th Supplement to Mayoral Proclamation Declaring the Existence of a Local Emergency (“Emergency Declaration”), dated February 25, 2020, and the Contractor Vaccination Policy for City Contractors issued by the City Administrator (“Contractor Vaccination Policy”), as those documents may be amended from time to time. A copy of the Contractor Vaccination Policy can be found at: <https://sf.gov/confirm-vaccine-status-your-employees-and-subcontractors>. Any undefined, initially-capitalized term used in this Section has the meaning given to that term in the Contractor Vaccination Policy.

(2) A Contract as defined in the Emergency Declaration is an agreement between the City and any other entity or individual and any subcontract under such agreement, where Covered Employees of the contractor or subcontractor work in-person with City employees at a facility owned, leased, or controlled by the City. A Contract includes such agreements currently in place or entered into during the term of the Emergency Declaration. A Contract does not include an agreement with a state or federal governmental entity or agreements that does not involve the City paying or receiving funds.

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(3) Tenant has read the Contractor Vaccination Policy. In accordance with the Emergency Declaration, if this Agreement is (or becomes) a Contract as defined in the Contractor Vaccination Policy, Tenant agrees that:

(I) Tenant will ensure it complies with the requirements of the Contractor Vaccination Policy pertaining to Covered Employees, as they are defined under the Emergency Declaration and the Contractor Vaccination Policy, and insure such Covered Employees are fully vaccinated for COVID-19 or obtain an exemption based on medical or religious grounds; and

(II) If Tenant grants Covered Employees an exemption based on medical or religious grounds, Tenant will promptly notify City by completing and submitting the Covered Employees Granted Exemptions Form (“Exemptions Form”), which can be found at <https://sf.gov/confirm-vaccine-status-your-employees-and-subcontractors> (navigate to “Exemptions” to download the form).

36. AMENDMENTS

Neither this Agreement nor any terms or provisions hereof may be changed, waived, discharged, or terminated, except by a written instrument signed by the party against which the enforcement of the change, waiver, discharge, or termination is sought. No waiver of any breach will affect or alter this Agreement, but each and every term, covenant, and condition of this Agreement will continue in full force and effect with respect to any other then-existing or subsequent breach thereof. Any amendments or modifications to this Agreement, including, without limitation, amendments to or modifications to the exhibits to this Agreement, will be subject to the mutual written agreement of City and Tenant, and City’s agreement may be made upon the sole approval of the City’s HSH Director, or his or her designee; provided, however, material amendments, or modifications to this Agreement (a) changing the legal description of the Premises, (b) increasing the Term, (c) decreasing the rent, (d) changing the general use of the Premises from the use authorized under this Agreement, and (e) any other amendment or modification which materially increases the City’s liabilities or financial obligations under this Agreement, will additionally require the approval of the City’s Board of Supervisors.

NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS AGREEMENT, TENANT ACKNOWLEDGES AND AGREES THAT NO CITY OFFICER OR EMPLOYEE HAS AUTHORITY TO COMMIT CITY TO THIS AGREEMENT UNLESS AND UNTIL CITY’S BOARD OF SUPERVISORS HAS DULY ADOPTED A RESOLUTION APPROVING THIS AGREEMENT AND AUTHORIZING THE TRANSACTIONS CONTEMPLATED HEREBY. THEREFORE, ANY CITY OBLIGATIONS OR LIABILITIES UNDER THIS AGREEMENT ARE CONTINGENT ON ADOPTION OF A RESOLUTION, AND THIS AGREEMENT WILL BE NULL AND VOID IF CITY’S MAYOR AND THE BOARD OF SUPERVISORS DO NOT APPROVE THIS AGREEMENT, IN THEIR RESPECTIVE SOLE DISCRETION. APPROVAL OF THIS AGREEMENT BY ANY CITY DEPARTMENT, COMMISSION, OR AGENCY WILL NOT BE DEEMED TO IMPLY THAT A RESOLUTION WILL BE ENACTED, AND NO APPROVAL WILL CREATE ANY BINDING CITY OBLIGATIONS.

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[signatures follow]

SAMPLE

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IN WITNESS WHEREOF, City and Tenant have executed this Agreement as of the date first written above.

CITY:

CITY AND COUNTY OF SAN FRANCISCO,
a municipal corporation

By: _____
Andrico Q. Penick
Director of Property

Recommended by:

[_____]

APPROVED AS TO FORM:

DAVID CHIU
City Attorney

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

TENANT:

[_____]

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EXHIBIT A

Legal Description of the Site

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

SAMPLE

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EXHIBIT B

Assignment of Existing Resident Occupancy and Rental Agreements (Other Existing Residents)

This ASSIGNMENT is made and entered into as of _____, 20____, by and between CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation (“Assignor”) and [_____] (“Assignee”).

FOR GOOD AND VALUABLE CONSIDERATION, the receipt of which is hereby acknowledged, effective as of the Effective Date (as defined in the Lease and Property Management Agreement between Assignor and Assignee dated as of _____ (the “Agreement”)), Assignor hereby assigns and transfers to Assignee all of Assignor’s right, title, claim and interest in and under certain leases and occupancy agreements executed with respect to that certain real property commonly known as [_____] San Francisco, and more fully described in Exhibit A to the Agreement (the “Property”) as more fully described in Schedule 1 attached hereto (collectively, the “Leases”). Initially capitalized terms used but not defined in this Assignment have the meanings given to them in the Agreement.

ASSIGNOR AND ASSIGNEE FURTHER HEREBY AGREE AND COVENANT AS FOLLOWS:

1. Assignor represents and warrants that, as of the date of this Assignment, the attached Schedule 1 includes all of the Leases and occupancy agreements to which Seller is a party affecting any of the Property. As of the date hereof, there are no assignments of or agreements to assign the Leases by Seller to any other party.
2. Assignor hereby agrees to indemnify Assignee against and hold Assignee harmless from any and all costs, liabilities, losses, damages or expenses (including, without limitation, reasonable attorneys’ fees) to the extent arising out of the breach of landlord’s obligations under the Leases prior to the Effective Date; provided that nothing in this Section 2 will obligate Assignor to indemnify Assignee with respect to the physical condition of the Property, which Assignee has agreed to accept in its “as is, where is” condition as of the Effective Date, or any matter for which Assignee has agreed to release Assignor as set forth in the Agreement.
3. Effective as of the Effective Date, Assignee hereby assumes all of the landlord’s obligations under the Leases required to be performed on or subsequent to the Effective Date. Assignee hereby agrees to indemnify Assignor against and hold Assignor harmless from any and all costs, liabilities, losses, damages or expenses (including, without limitation, reasonable attorneys’ fees) to the extent arising out of the breach of landlord’s obligations under the Leases on or after the Effective Date.
4. Any rental and other payments under the Leases will be prorated between the parties as provided in the Agreement.
5. This Assignment will be binding on and inure to the benefit of the parties hereto, their heirs, executors, administrators, successors in interest and assigns.
6. This Assignment is governed by and will be construed in accordance with the laws of the State of California.
7. This Assignment may be executed in two (2) or more counterparts, each of which will be deemed an original, but all of which taken together will constitute one and the same instrument.

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

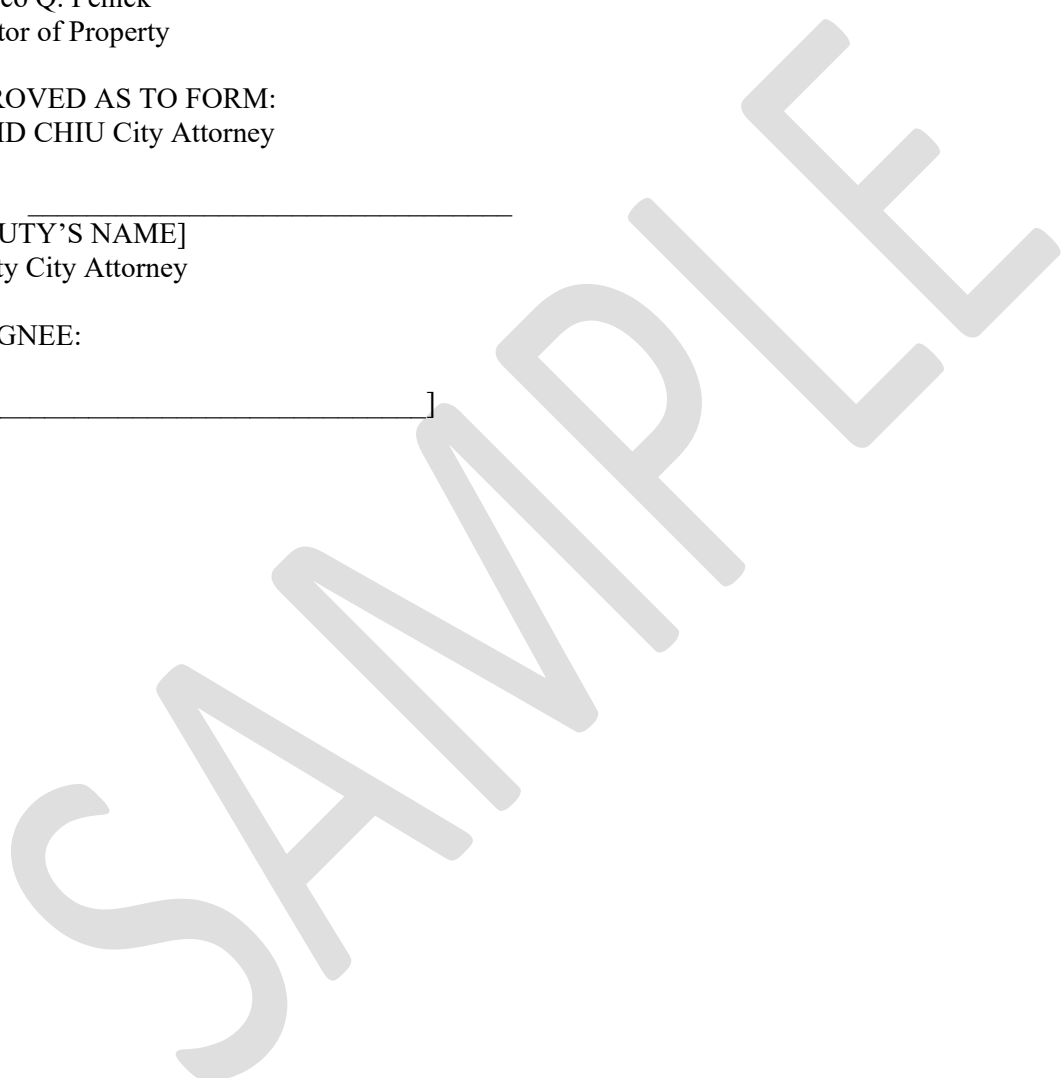
ASSIGNOR:
CITY AND COUNTY OF SAN FRANCISCO,
a municipal corporation

By: _____
Andrico Q. Penick
Director of Property

APPROVED AS TO FORM:
DAVID CHIU City Attorney

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

ASSIGNEE:
[_____]



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SCHEDULE 1

OCCUPANCY AND RENTAL AGREEMENTS

SAMPLE

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EXHIBIT C

PSH Resident Selection Plan

See attached.

SAMPLE

EXHIBIT D

Funding Requirements

See attached.

SAMPLE

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Operating Budget

See attached.

SAMPLE

EXHIBIT F

Tenant Improvements Scope of Work

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See attached.

SAMPLE