File No. 120735

Committee Item No. 7
Board Item No. 13

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget and Finance Committee Date 09/05/2012

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Completed by: Victor Young Date August 31, 2012
Completed by: Victor Young Date 9-6-12

[Master Lease Amendment - United States Navy - Treasure Island South Waterfront]

Resolution approving the Twenty Eighth Amendment to the Treasure Island South Waterfront Master Lease between the Treasure Island Development Authority and the United States Navy to extend the term to November 30, 2013.

WHEREAS, The Treasure Island Development Authority ("Authority") and the United States of America, acting by and through the Department of the Navy (the "Navy"), entered into a master lease dated September 4, 1998, for the Authority to use and sublease certain land and structures on former Naval Station Treasure Island (as amended from time to time, the "South Waterfront Master Lease") at no rent; and,

WHEREAS, The South Waterfront Master Lease enables the Authority to sublease portions of the master leased area for interim uses and generate revenues to support the interim operation of Treasure Island and the future redevelopment of the former Naval Station Treasure Island; and,

WHEREAS, The term of the South Waterfront Master Lease expires on November 30, 2012; and,

WHEREAS, The Authority wishes to extend the term of such lease for a period of one (1) year beginning on December 1, 2012 and ending on November 30, 2013, unless sooner terminated in accordance with the terms and conditions of the Master Lease; and,

WHEREAS, The Navy concurs with such amendment and the amendment has been approved by the Authority Board of Directors at its June 13, 2012 meeting; and,

WHEREAS, The Board of Supervisors Resolution establishing the Authority, AB 699 and TIDA's Bylaws require that the Authority obtain Board of Supervisors approval of any

agreements having a term in excess of ten (10) years or anticipated revenues of $1,000,000 or more; and,

WHEREAS, Because the cumulative term of the South Waterfront Master Lease exceeds ten (10) years, the Authority is requesting that the Board of Supervisors approve the Twenty Eighth Amendment to extend the term of such lease for a period of one (1) year beginning on December 1, 2012 and ending on November 30, 2013, unless sooner terminated in accordance with the terms and conditions of the Master Lease; now, therefore, be it

RESOLVED, That the Board of Supervisors hereby approves and authorizes the Director of Island Operations of the Authority or her designee to execute and enter into the ~~Twenty Eighth Amendment to the South Waterfront Master Lease in substantially the form~~ filed with the Clerk of the Board of Supervisors in File No. 120735, and any additions, amendments or other modifications to such Twenty Eighth Amendment (including, without limitation, its exhibits) that the Director of Island Operations of the Authority or her designee determines, in consultation with the City Attorney, are in the best interests of the Authority and do not otherwise materially increase the obligations or liabilities of the Authority, and are necessary or advisable to effectuate the purpose and intent of this resolution.

Treasure Island Development Authority
City and County of San Francisco

Resolution Approving the Twenty Eighth Amendment to the Treasure Island South Waterfront Master Lease between the Treasure Island Development Authority and the United States Navy to Extend the Term.

SUMMARY OF PROPOSED ACTION:
This item seeks approval and authorization to amend the Master Lease between the Treasure Island Development Authority (the "Authority") and the U.S. Navy (the "Navy") for the South Waterfront on former Naval Station Treasure Island to extend the Term of the Lease to November 30, 2013.

BACKGROUND:
On September 4, 1998, the Authority entered into Lease Number N6247498RP00P99 (as amended from time to time, the "South Waterfront Master Lease") with the United States of America, acting by and through the Department of the Navy, for use of certain real property located at the former Naval Station, Treasure Island. The Authority does not pay any base rent under the Master Lease, and the Authority uses the subleasing and permit revenues to support the interim operation of Treasure Island. The Master Lease is renewed yearly.

The term of the South Waterfront Master Lease will expire on November 30, 2012. This Amendment will extend the term to November 30, 2013 on the same terms and conditions as the existing Master Lease.

The Authority's Board of Directors approved the Twenty Eighth Amendment to the South Waterfront Master Lease at its June 13, 2012 meeting. Pursuant to the Board of Supervisors Resolution establishing the Authority, AB 699 and TIDA's Bylaws, Board of Supervisors approval is required of any contract or agreement entered into by the Authority with a term longer than ten years. Because the term of the South Waterfront Master Lease has exceeded ten years, the Director of Island Operations requests approval of the Twenty Eighth Amendment from the Board of Supervisors to extend the term to November 30, 2013 on the same terms and conditions as the existing Master Lease.

RECOMMENDATION:
Approve the Twenty Eighth Amendment to the South Waterfront Master Lease between the Treasure Island Development Authority and the United States Navy to extend the term to November 30, 2013.

Mirian Saez, Director of Island Operations

12073v-

Items 7, 8, 9, 10, 11 & 12 Files 12-0735, 12-0736, 12-0737,12 -0738, 12-0739 & 12-0740	Department: Treasure Island Development Authority

EXECUTIVE SUMMARY

Legislative Objectives

- File 12-0735: The proposed resolution would approve the 28th Amendment to the Treasure Island South Waterfront Master Lease between the Treasure Island Development Authority (TIDA) and the U.S. Navy (the Navy) to extend the term of the Lease by one year, from December 1, 2012 through November 30, 2013, unless terminated sooner in accordance with the terms and conditions of the Master Lease.
- File 12-0736: The proposed resolution would approve the 37th Amendment to the Treasure Island Land and Structures Master Lease between TIDA and the Navy to extend the term of the Lease by one year, from December 1, 2012 through November 30, 2013, unless terminated sooner in accordance with the terms and conditions of the Master Lease.
- File 12-0737: The proposed resolution would approve the 16th Amendment to the Treasure Island Marina Master Lease between TIDA and the Navy to extend the term of the Lease by one year, from December 1, 2012 through November 30, 2013, unless terminated sooner in accordance with the terms and conditions of the Master Lease.
- File 12-0738: The proposed resolution would approve the 8th Amendment to the Treasure Island Childcare Master Lease between TIDA and the Navy to extend the term of the Lease by one year, from December 1, 2012 through November 30, 2013, unless terminated sooner in accordance with the terms and conditions of the Master Lease.
- File 12-0739: The proposed resolution would approve the 24th Amendment to the Treasure Island Event Venues Master Lease between TIDA and the Navy to extend the term of the Lease by one year, from December 1, 2012 through November 30, 2013, unless terminated sooner in accordance with the terms and conditions of the Master Lease.
- File 12-0740: The proposed resolution would approve the 27th modification to the Cooperative Agreement between TIDA and the Navy to extend the term of the Agreement by one year, from October 1, 2012 through September 30, 2013.

Key Points

- The only change being proposed to the existing five leases and one Cooperative Agreement, between TIDA and the Navy, is to extend the leases and agreement by one year. The five leases would be extended from December 1, 2012 through November 30, 2013 and the Cooperative Agreement would be extended from October 1, 2012 through September 30, 2013.

Fiscal Analysis

- TIDA anticipates generating $8,326,365 in FY 2012-2013 revenues from leasing existing residential and commercial facilities and special events. Such revenues would offset the $8,326,365 expected to be incurred by TIDA under the Cooperative Agreement between TIDA and the Navy.

Recommendations

- Approve the proposed resolutions.

MANDATE STATEMENT/ BACKGROUND

Mandate Statement

In accordance with Charter Sections 9.118(b) and 9.118(c), any agreements or leases with a term of ten years or more and/or over $10,000,000 of expenditures is subject to Board of Supervisors approval.

Background

File 12-0735: The Treasure Island Development Authority (TIDA)a nd the Navy entered into a two-year South Waterfront Master Lease on September 4, 1998, for TIDA to use and sublease certain land and facilities at Treasure Island, including the Administration Building, Building 180, Hangar 2, and Hangar 3. The Lease is at no cost to TIDA. Since that time, the South Waterfront Master Lease has been amended 27 times, mainly to add or delete property and to extend the term. The 27th amendment was approved by the Board of Supervisors on September 13, 2011 (Resolution No. 370-11).

File 12-0736: TIDA and the Navy entered into a one-year Land and Structures Master Lease on November 19, 1998, for TIDA to use and sublease certain land and structures at Treasure Island that are subleased to non-profit agencies and commercial interests. The Lease is at no cost to TIDA. Since that time, the Land and Structures Master Lease has been amended 36 times, mainly to add or delete property and to extend the term. The 36th amendment, which added Building 449[1] located at Avenue C and 4th Street to the Land and Structure Master Lease at no cost to TIDA, was approved by the Board of Supervisors on January 24, 2012 (Resolution No. 12-12).

File 12-0737: TIDA and the Navy entered into a two-year Marina Master Lease on September 4, 1998, for TIDA to use and sublease certain facilities at Treasure Island, including the Treasure Isle Marina, the Treasure Isle Marina parking lot and the Treasure Island Yacht Club. The Lease is at no cost to TIDA. Since that time, the Lease has been amended 15 times, mainly to extend the term. The 15th amendment was approved by the Board of Supervisors on September 13, 2011 (Resolution No. 0375-11).

File 12-0738: TIDA and the Navy entered into a five-year Childcare Master Lease on October 1, 2001, for TIDA to sublease land and structures, including Building 502, at Treasure Island for the purpose of operating a childcare center. The Lease is at no cost to TIDA. Since that time, the Lease has been amended seven times, mainly to extend the term. The 7th amendment was approved by the Board of Supervisors on September 13, 2011 (Resolution No. 0371-11).

File 12-0739: TIDA and the Navy entered into a two-year Event Venues Master Lease on September 4, 1998, for TIDA to use and sublease certain land and structures at Treasure Island, at no cost to TIDA. Since that time, the Lease has been amended 23 times, mainly to add or delete property and to extend the term. The 23rd amendment was approved by the Board of Supervisors on September 13, 2011 (Resolution No. 0373-11).

[1] Building 449 is a 13,000 square foot vacant concrete structure which TIDA uses for commercial leasing opportunities such as storage, light industrial, or warehouse space.

File 12-0740: The City and the Navy entered into a one-year Cooperative Agreement, for the City to assume responsibility for various services on Treasure Island, which was initially approved by the Board of Supervisors on October 1, 1997 (File 244-97-4). Such services include: (i) operation and maintenance of the water, waste water, storm water, electric and gas utility systems, (ii) security, public health and safety services, (iii) grounds and street maintenance and repair, and (iv) property management and caretaker services. The Cooperative Agreement was modified in 1998 to make TIDA party to the Cooperative Agreement with the Navy, which was approved by the Board of Supervisors on November 19, 1998 (File 98-1751). Under the original Cooperative Agreement, reimbursements paid by the Navy to TIDA for the TIDA services provided to the Navy were negotiated on an annual basis as the Cooperative Agreement was renewed each year. In all, the Navy paid TIDA a total of $12,848,213 from FY 1997-1998 through FY 2001-2002, when such payments by the Navy ended[2]. According to Ms. Mirian Saez, TIDA Director of Island Operations, revenues generated from leasing of existing residential and commercial facilities, special events and film and photo productions have offset the costs associated with the Cooperative Agreement since FY 2002-2003.

The Cooperative Agreement has been modified 26 times. The 26th amendment was approved by the Board of Supervisors on September 13, 2011 (Resolution No. 0372-11).

Status of the Conveyance of Treasure Island Property

The Board of Supervisors approved the Economic Development Conveyance Memorandum of Agreement (EDC MOA) between the Treasure Island Development Authority (TIDA) and the Navy on June 7, 2011 (Resolution No. 242-11). Under the terms of the EDC MOA, the Navy will convey Treasure Island property to TIDA in phases, commencing upon the Navy's completion of ongoing environmental remediation. According to Mr. Michael Tymoff, TIDA Development Project Director, the first phase conveyance of Treasure Island property from the Navy to TIDA is anticipated to occur before December, 2012. The second phase conveyance is expected to occur in April, 2013. Mr. Tymoff advises that the full conveyance of Treasure Island to TIDA is currently estimated to occur sometime in 2019.

The properties that are not conveyed will continue to be managed by TIDA, in accordance with the Cooperative Agreement (File 12-0740), until the conveyance is complete. The individual Master Leases between TIDA and the Navy will terminate for specified properties as such properties are conveyed to TIDA, in accordance with the EDC MOA. According to Mr. Tymoff, in exchange for the conveyance of the Treasure Island property, the EDC MOA commits TIDA to paying the Navy (a) $55,000,000 in ten annual $5,500,000 payments, plus interest[3], projected to total $12,375,000, (b) an additional $50,000,000 if the project achieves certain financial performance benchmarks (i.e., an internal rate of return on private capital above 18%), and (c)

[2] TIDA was advised by the U.S. Navy that the U.S. Navy reimbursements would be eliminated based on the U.S. Navy's determination that the Treasure Island Development Authority was earning sufficient revenues to pay for all of the costs of providing services at Treasure Island.

[3] The EDC MOA sets the interest rate as "the interest rate payable on ten year Treasury Notes in effect as of the month that this Agreement is entered into plus one hundred fifty basis points, which Interest Rate will be locked for the duration of this Agreement."

35% of all profits above a 22.5% internal rate of return. The first payment due to the Navy is projected to occur in April 2013, with the second phase conveyance.

Based on the EDC MOA and the approved Disposition and Development Agreement (Resolution No. 241-11) between TIDA and Treasure Island Community Development, LLC, the master developer for the Treasure Island project, is required to make all the payments to the Navy, on behalf of TIDA. According to Mr. Tymoff, TIDA plans to introduce a resolution at a future Board of Supervisors meeting that would amend the EDC MOA in order to: (a) provide more protections to TIDA regarding the Navy's environmental remediation obligations, (b) define the terms of the transfer for 27-acres on Yerba Buena Island (YBI) for the YBI Ramps Improvement Project, and (c) address utility access easements, operations and maintenance.

DETAILS OF PROPOSED LEGISLATION

The six proposed resolutions would extend the term of the following five Leases and the one Cooperative Agreement between the Treasure Island Development Authority (TIDA) and the U.S. Navy (Navy) by one year, as detailed in Table 1 below.

Table 1: Proposed Term Period Extensions of TIDA's Leases and Cooperative Agreement

File No.	Lease/Agreement	Amendment Number	Term Period Extensions
12-0735	Treasure Island South Waterfront Master Lease	28	December 1, 2012 - November 30, 2013
12-0736	Treasure Island Land and Structures Master Lease	37	December 1, 2012 - November 30, 2013
12-0737	Treasure Island Marina Master Lease	16	December 1, 2012 - November 30, 2013
12-0738	Treasure Island Childcare Master Lease	8	December 1, 2012 - November 30, 2013
12-0739	Treasure Island Event Venues Master Lease	24	December 1, 2012 - November 30, 2013
12-0740	Cooperative Agreement	27	October 1, 2012 - September 30, 2013

The only change being proposed to the existing five leases and one Cooperative Agreement, between TIDA and the Navy, is to extend the leases and agreement by one year. As detailed in Table 1 above, the five leases would be extended from December 1, 2012 through November 30, 2013 and the Cooperative Agreement would be extended from October 1, 2012 through September 30, 2013. These proposed extensions have been approved by the Navy and were approved by TIDA's Board of Directors on June 13, 2012.

According to Ms. Saez, TIDA seeks to extend all master agreements with the Navy in order to continue operations in accordance with the Cooperative Agreement with the Navy, which assigns TIDA the responsibility for municipal services of land leased by TIDA from the Navy under the Master Leases and allows TIDA to sublease property to generate revenue pending conveyance of the Treasure Island property from the Navy to TIDA. A year-to-year term of the Cooperative Agreement allows TIDA and the Navy the flexibility to discontinue all or portions of the agreements as the conveyance of Treasure Island property from the Navy to TIDA occurs.

FISCAL ANALYSIS

Revenues Generated from Leases and Costs Associated with the Cooperative Agreement

Continuation of the subject (a) Treasure Island South Waterfront Master Lease, (b) Treasure Island Land and Structures Master Lease, (c) Treasure Island Marina Master Lease, (d) Treasure Island Childcare Master Lease, and (e) Treasure Island Event Venues Master Lease would allow TIDA to continue to generate revenues to support TIDA's interim operations of Treasure Island until the Navy fully transfers Treasure Island to TIDA.

As shown in Table 2 below, TIDA received a total of $7,845,818 from various revenue sources in FY 2011-2012. TIDA has budgeted for $8,326,365 in revenue for FY 2012-2013, an increase of $480,547 or 6.1 percent more than FY 2011-2012.

Table 2: Actual and Projected Revenues Under Leases

TIDA Revenue Sources as of 8/28/2012	Actual 2011-12 Revenue	Budgeted 2012-13 Revenue
Joint Venture Special Events	$0	$286,000
TIDA Special Events Revenues	628,221	316,200
TI Commercial Revenues	2,336,412	2,505,000
Film Revenues	13,986	25,000
YBI Filming/Cellsites/ Banner Revenues	182,039	282,550
Maritime Revenues	93,300	90,000
John Stewart Company Housing Revenues	4,164,511	4,342,143
Other Housing Common Area Maintenance (CAM)	427,349	479,472
Total	**$7,845,818**	**$8,326,365**

TIDA's projected revenues would offset the $8,326,365 of expenditures expected to be incurred by TIDA in FY 2012-13.

RECOMMENDATIONS

Approve the proposed resolutions.

TWENTY EIGHTH AMENDMENT
TO LEASE AGREEMENT N6247498RP00P99
BETWEEN
THE UNITED STATES OF AMERICA
AND
TREASURE ISLAND DEVELOPMENT AUTHORITY

THIS LEASE AMENDMENT made this _____day of_____2012, by and between the UNITED STATES OF AMERICA, acting by and through the Department of the Navy, hereinafter called the "Government", and the TREASURE ISLAND DEVELOPMENT AUTHORITY, hereinafter called the "Lessee";

WHEREAS, the parties hereto, as of 4 September 1998, entered into Lease Agreement N6247498RP00P99 under the terms of which the Lessee uses certain real property for space located at the former Naval Station, Treasure Island; and

WHEREAS, the parties agree to amend the terms of the Lease Agreement.

NOW THEREFORE, in consideration of the terms, covenants and conditions hereinafter set forth; the following paragraphs to Lease N6247498RP00P99 are hereby amended to reflect the following changes;

---

1. Paragraph 2 TERM, delete in its entirety and the following paragraph is inserted therefore:

"The term of this Lease shall be for a period of one (1) year beginning on 1 December 2012 and ending on 30 November 2013, unless sooner terminated in accordance with the provisions of Paragraph 14, Termination."

2. Paragraph 13.4.4, delete in its entirety and the following paragraph is inserted therefore:

"to construct, operate, maintain or undertake any other response or remedial action as required or necessary under the IRP, including, but not limited to monitoring wells, pumping wells, treatment facilities and dredging of sediments, and to also include temporary acreage for remedial contractor support for trailers, equipment and material yards and any other area required to conduct the response or remedial action."

All other terms and conditions of the Lease Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have, on the respective dates set forth above duly executed this amendment to the Lease as of the day and year first above written.

UNITED STATES OF AMERICA	TREASURE ISLAND DEVELOPMENT AUTHORITY
_____	_____
Title_____	Title_____

APPROVED AS TO FORM:

120735

ORIGINAL

TWENTY SEVENTH AMENDMENT
TO LEASE AGREEMENT N6247498RP00P99
BETWEEN
THE UNITED STATES OF AMERICA
AND
TREASURE ISLAND DEVELOPMENT AUTHORITY

THIS LEASE AMENDMENT made this _____day of_____2011, by and between the UNITED STATES OF AMERICA, acting by and through the Department of the Navy, hereinafter called the "Government", and the TREASURE ISLAND DEVELOPMENT AUTHORITY, hereinafter called the "Lessee";

WHEREAS, the parties hereto, as of 4 September 1998, entered into Lease Agreement N6247498RP00P99 under the terms of which the Lessee uses certain real property for space located at the former Naval Station, Treasure Island; and

WHEREAS, the parties agree to amend the terms of the Lease Agreement.

NOW THEREFORE, in consideration of the terms, covenants and conditions hereinafter set forth; the following paragraphs to Lease N6247498RP00P99 are hereby amended to reflect the following changes;

1. Paragraph 2 TERM, delete in its entirety and the following paragraph is inserted therefore:

"The term of this Lease shall be for a period of one (1) year beginning on 1 December 2011 and ending on 30 November 2012, unless sooner terminated in accordance with the provisions of Paragraph 14, Termination."

All other terms and conditions of the Lease Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have, on the respective dates set forth above duly executed this amendment to the Lease as of the day and year first above written.

UNITED STATES OF AMERICA

Title WILLIAM R. CARSILLO
REAL ESTATE CONTRACTING OFFICER
DEPARTMENT OF THE NAVY

TREASURE ISLAND DEVELOPMENT AUTHORITY

Title

APPROVED AS TO FORM:

DEPUTY CITY ATTORNEY

TWENTY SIXTH AMENDMENT
TO LEASE AGREEMENT N6247498RP00P99
BETWEEN
THE UNITED STATES OF AMERICA
AND
TREASURE ISLAND DEVELOPMENT AUTHORITY

THIS LEASE AMENDMENT made this 2nd day of August 2010, by and between the UNITED STATES OF AMERICA, acting by and through the Department of the Navy, hereinafter called the "Government", and the TREASURE ISLAND DEVELOPMENT AUTHORITY, hereinafter called the "Lessee";

WHEREAS, the parties hereto, as of 4 September 1998, entered into Lease Agreement N6247498RP00P99 under the terms of which the Lessee uses certain real property for space located at the former Naval Station, Treasure Island; and

WHEREAS, the parties agree to amend the terms of the Lease Agreement.

NOW THEREFORE, in consideration of the terms, covenants and conditions hereinafter set forth; the following paragraphs to Lease N6247498RP00P99 are hereby amended to reflect the following changes;

1. Paragraph 2 TERM, delete in its entirety and the following paragraph is inserted therefore:

"The term of this Lease shall be for a period of one (1) year beginning on 1 December 2010 and ending on 30 November 2011, unless sooner terminated in accordance with the provisions of Paragraph 14, Termination."

All other terms and conditions of the Lease Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have, on the respective dates set forth above duly executed this amendment to the Lease as of the day and year first above written.

UNITED STATES OF AMERICA

ELIZABETH A. LARSON
Title REAL ESTATE CONTRACTING OFFICER
DEPARTMENT OF THE NAVY

TREASURE ISLAND DEVELOPMENT AUTHORITY

Title

APPROVED AS TO FORM:

Deputy CITY ATTORNEY

ORIGINAL

TWENTY FIFTH AMENDMENT
TO LEASE AGREEMENT N6247498RP00P99
BETWEEN
THE UNITED STATES OF AMERICA
AND
TREASURE ISLAND DEVELOPMENT AUTHORITY

THIS LEASE AMENDMENT made this 1 day of December 2009, by and between the UNITED STATES OF AMERICA, acting by and through the Department of the Navy, hereinafter called the "Government", and the TREASURE ISLAND DEVELOPMENT AUTHORITY, hereinafter called the "Lessee";

WHEREAS, the parties hereto, as of 4 September 1998, entered into Lease Agreement N6247498RP00P99 under the terms of which the Lessee uses certain real property for space located at the former Naval Station, Treasure Island; and

WHEREAS, the parties agree to amend the terms of the Lease Agreement.

NOW THEREFORE, in consideration of the terms, covenants and conditions hereinafter set forth; the following paragraphs to Lease N6247498RP00P99 are hereby amended to reflect the following changes;

1. Paragraph 2 TERM, delete in its entirety and the following paragraph is inserted therefore:

"The term of this Lease shall be for a period of one (1) year beginning on 1 December 2009 and ending on 30 November 2010, unless sooner terminated in accordance with the provisions of Paragraph 14, Termination."

All other terms and conditions of the Lease Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have, on the respective dates set forth above duly executed this amendment to the Lease as of the day and year first above written.

UNITED STATES OF AMERICA

WILLIAM R. CARSILLO
Title REAL ESTATE CONTRACTING OFFICER
DEPARTMENT OF THE NAVY

TREASURE ISLAND DEVELOPMENT AUTHORITY

Title

APPROVED AS TO FORM:

Deputy CITY ATTORNEY

ORIGINAL

TWENTY FOURTH AMENDMENT
TO LEASE AGREEMENT N6247498RP00P99
BETWEEN
THE UNITED STATES OF AMERICA
AND
TREASURE ISLAND DEVELOPMENT AUTHORITY

THIS LEASE AMENDMENT made this 1st day of January 2009, by and between the UNITED STATES OF AMERICA, acting by and through the Department of the Navy, hereinafter called the "Government", and the TREASURE ISLAND DEVELOPMENT AUTHORITY, hereinafter called the "Lessee";

WHEREAS, the parties hereto, as of 4 September 1998, entered into Lease Agreement N6247498RP00P99 under the terms of which the Lessee uses certain real property for space located at the former Naval Station, Treasure Island; and

WHEREAS, the parties agree to amend the terms of the Lease Agreement.

NOW THEREFORE, in consideration of the terms, covenants and conditions hereinafter set forth; the following paragraphs to Lease N6247498RP00P99 are hereby amended to reflect the following changes;

1. Paragraph 1 **LEASED PREMISES** add the following:

"Use of Buildings 355, 385, 454, 501 and the portion of Avenue "I" between 3rd Street and California, as shown in Exhibit A-12, attached hereto and made a part hereof."

All other terms and conditions of the Lease Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have, on the respective dates set forth above duly executed this amendment to the Lease as of the day and year first above written.

UNITED STATES OF AMERICA

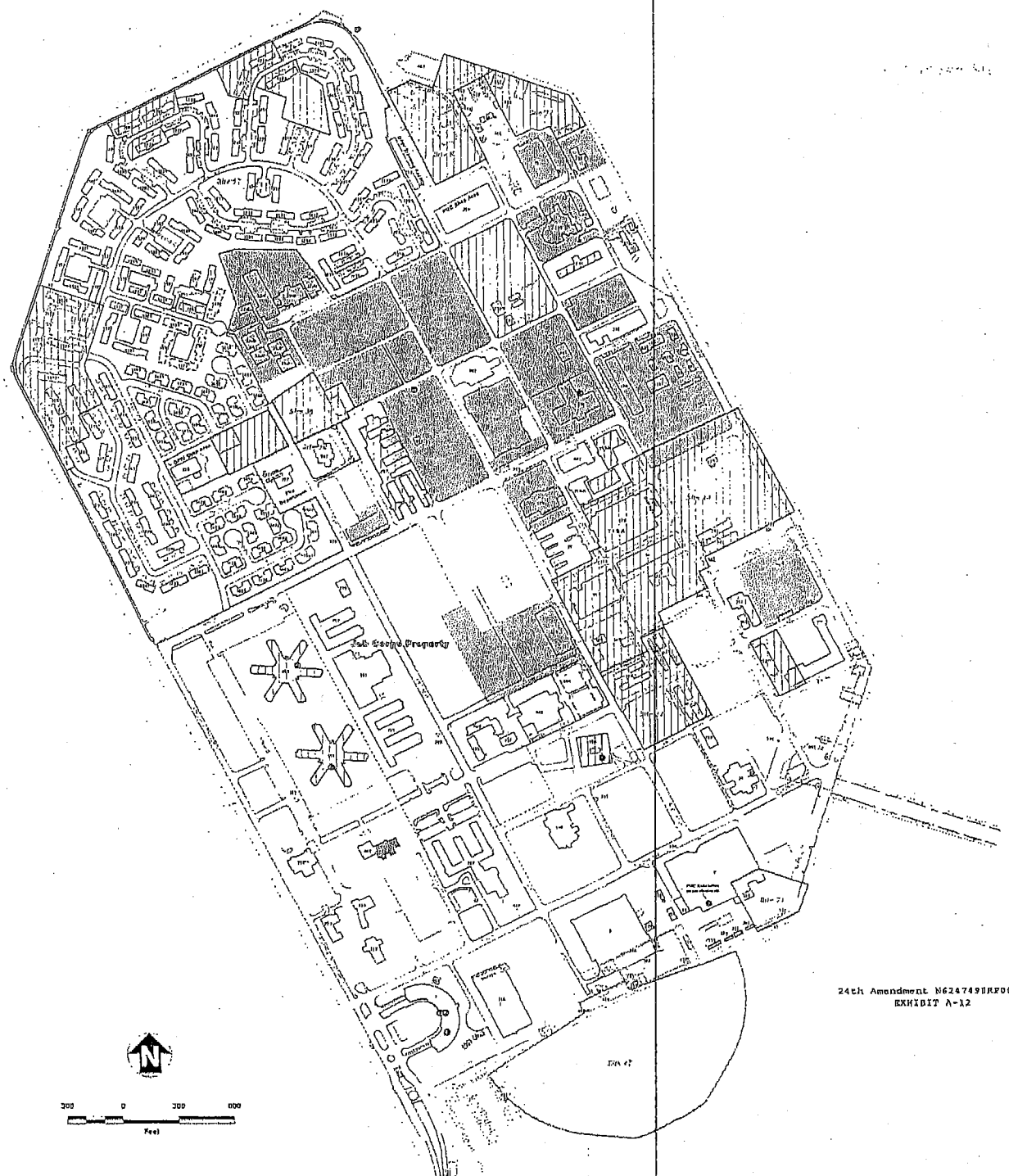
WILLIAM R. CARSILLO
Title REAL ESTATE CONTRACTING OFFICER
DEPARTMENT OF THE NAVY

TREASURE ISLAND DEVELOPMENT AUTHORITY

Title

APPROVED AS TO FORM:

Deputy CITY ATTORNEY



24th Amendment N6247498RF00P99
EXHIBIT A-12

ORIGINAL

TWENTY THIRD AMENDMENT
TO LEASE AGREEMENT N6247498RP00P99
BETWEEN
THE UNITED STATES OF AMERICA
AND
TREASURE ISLAND DEVELOPMENT AUTHORITY

THIS LEASE AMENDMENT made this 5th day of January 2009, by and between the UNITED STATES OF AMERICA, acting by and through the Department of the Navy, hereinafter called the "Government", and the TREASURE ISLAND DEVELOPMENT AUTHORITY, hereinafter called the "Lessee";

WHEREAS, the parties hereto, as of 4 September 1998, entered into Lease Agreement N6247498RP00P99 under the terms of which the Lessee uses certain real property for space located at the former Naval Station, Treasure Island; and

WHEREAS, the parties agree to amend the terms of the Lease Agreement.

NOW THEREFORE, in consideration of the terms, covenants and conditions hereinafter set forth, the following paragraphs to Lease N6247498RP00P99 are hereby amended to reflect the following changes;

1. Paragraph 2 TERM, delete in its entirety and the following paragraph is inserted therefore:

"The term of this Lease shall be for a period of one (1) year beginning on 1 December 2008 and ending on 30 November 2009, unless sooner terminated in accordance with the provisions of Paragraph 14, Termination."

All other terms and conditions of the Lease Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have, on the respective dates set forth above duly executed this amendment to the Lease as of the day and year first above written.

UNITED STATES OF AMERICA

WILLIAM R. CARSILLO
REAL ESTATE CONTRACTING OFFICER
Title DEPARTMENT OF THE NAVY

TREASURE ISLAND DEVELOPMENT AUTHORITY

Title DIO

APPROVED AS TO FORM:

Deputy CITY ATTORNEY

ORIGINAL

Second
TWENTY ~~FIRST~~ AMENDMENT
TO LEASE AGREEMENT N6247498RP00P99
BETWEEN
THE UNITED STATES OF AMERICA
AND
TREASURE ISLAND DEVELOPMENT AUTHORITY

THIS LEASE AMENDMENT made this 3rd day of November 2008, by and between the UNITED STATES OF AMERICA, acting by and through the Department of the Navy, hereinafter called the "Government", and the TREASURE ISLAND DEVELOPMENT AUTHORITY, hereinafter called the "Lessee";

WHEREAS, the parties hereto, as of 4 September 1998, entered into Lease Agreement N6247498RP00P99 under the terms of which the Lessee uses certain real property for space located at the former Naval Station, Treasure Island; and

WHEREAS, the parties agree to amend the terms of the Lease Agreement.

NOW THEREFORE, in consideration of the terms, covenants and conditions hereinafter set forth; the following paragraphs to Lease N6247498RP00P99 are hereby amended to reflect the following changes;

1. Paragraph 7 **ENVIRONMENTAL BASELINE SURVEY AND FINDINGS OF SUITABILITY TO LEASE:**

INSERT to EXHIBIT D:

"Final Finding of Suitability to Lease Reuse Zone 2B, Parcels T011, T012, T013, T015, T016, T017, T018, T019, T020, T023, T024, T025, and a portion of T026, at Naval Station Treasure Island. August 22, 1997. As shown in Exhibit "D-1" attached hereto and made part hereof."

"Finding of Suitability to Lease Parcels T007, T008, T010, T014 and T116 at Naval Station Treasure Island, San Francisco, California. July 1996. As shown in Exhibit "D-2" attached hereto and made part hereof."

2. Paragraph 1 **LEASED PREMISES** add the following:

"Use of Buildings 7, 41, 289, 290, 530 and associated lots as shown in Exhibit A-11, attached hereto and made a part hereof."

All other terms and conditions of the Lease Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have, on the respective dates set forth above duly executed this amendment to the Lease as of the day and year first above written.

UNITED STATES OF AMERICA

Title WILLIAM R. CARSILLO REAL ESTATE CONTRACTING OFFICER DEPARTMENT OF THE NAVY

TREASURE ISLAND DEVELOPMENT AUTHORITY

Title

APPROVED AS TO FORM:

Deputy CITY ATTORNEY

TWENTY FIRST AMENDMENT TO LEASE AGREEMENT N6247498RP00P99

South Waterfront - 21st Amendment

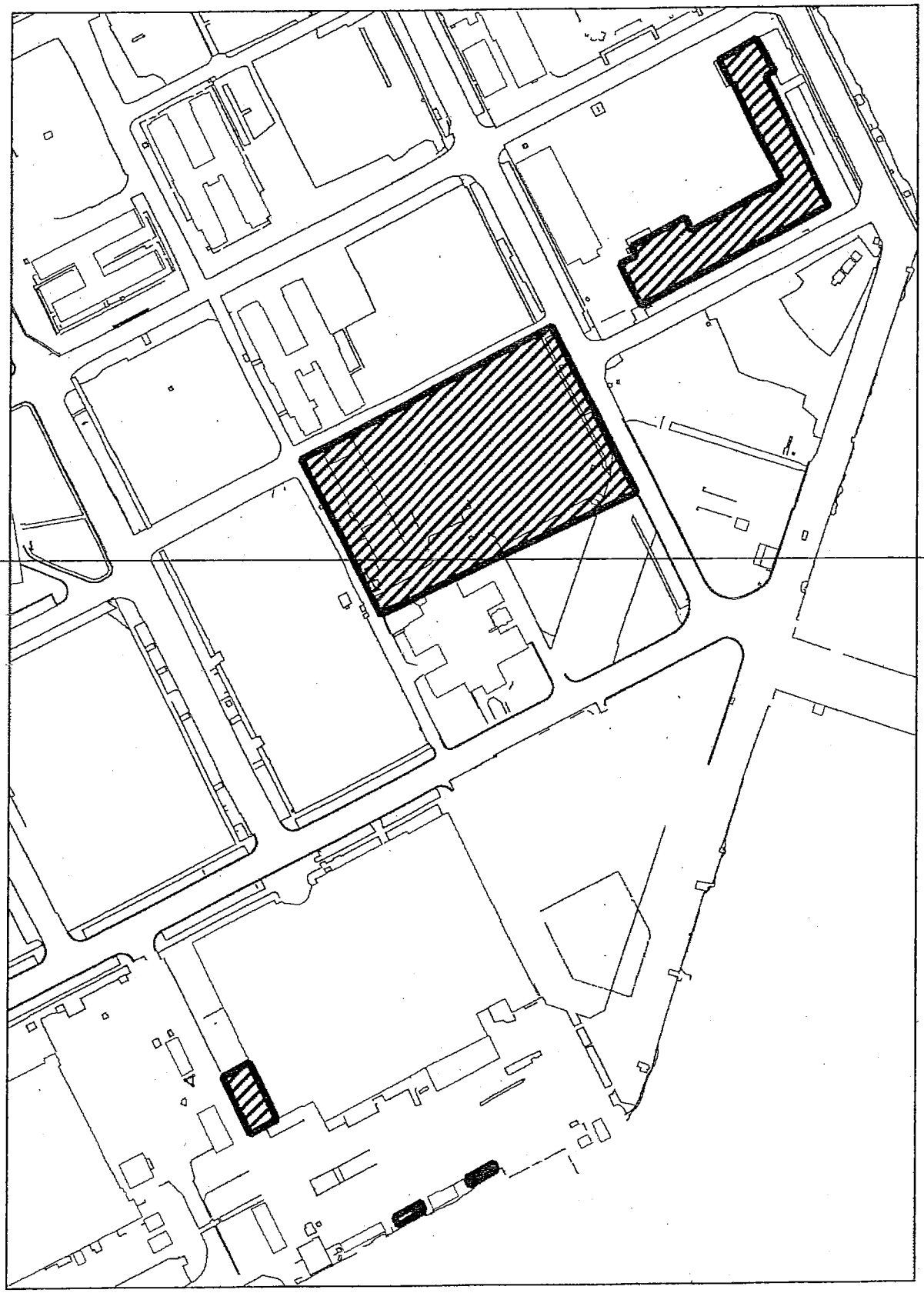


Exhibit A-11

COMPREHENSIVE LONG-TERM ENVIRONMENTAL ACTION NAVY (CLEAN II)
Northern and Central California, Nevada, and Utah
Contract Number N62474-94-D-7609
Contract Task Order No. 0126

Prepared For

DEPARTMENT OF THE NAVY
Amelia Duque, Engineer-in-Charge
Engineering Field Activity West
Naval Facilities Engineering Command
San Bruno, California

FINDING OF SUITABILITY TO LEASE REUSE ZONE 2B PARCELS T011, T012, T013, T015, T016, T017, T018, T019, ~~T020, T023, T024, T025, AND A PORTION OF T026~~ NAVAL STATION TREASURE ISLAND

FINAL
August 22, 1997

Prepared By

PRC ENVIRONMENTAL MANAGEMENT, INC.
135 Main Street, Suite 1800
San Francisco, CA 94105

and

URIBE & ASSOCIATES
2930 Lakeshore Avenue, Suite 200
Oakland, CA 94610

Ms. Rebecca Spgerman, PRC Project Manager

Ms. Lynne Srinivasan, U&A Project Manager

1.0 PURPOSE

a. The purpose of this finding of suitability to lease (FOSL) is to document environmental findings that may impact the proposed lease of Reuse Zone 2B at Naval Station Treasure Island (NAVSTA TI) in San Francisco, California. Reuse Zone 2B consists of Parcels T011, T012, T013, T015, T016, T017, T018, T019, T020, T023, T024, T025, and a portion of Parcel T026. The subject property is described in Section 2.0 and is shown on the figure at the end of this FOSL. The subject property will be leased to the City of San Francisco for recreational and commercial or industrial use. The reuse will be consistent with the recent past use. This FOSL is not intended to allow leasing for residential use, such as family housing. The U.S. Department of the Navy (Navy) owns the land and buildings at the subject property.

b. This FOSL is a result of a thorough analysis of the information contained in the following documents:

- "Base Realignment and Closure (BRAC) Cleanup Plan, Naval Station Treasure Island," Department of the Navy, Engineering Field Activity West, PRC Environmental Management, Inc. (PRC), March, 1997
- "Draft Remedial Investigation Report Naval Station Treasure Island," Department of the Navy, Engineering Field Activity West, PRC, October, 1996
- "Environmental Baseline Survey Screening Level Data Report, Naval Station Treasure Island, California," Department of the Navy, Engineering Field Activity West, PRC and Uribe & Associates (U&A), July, 1997
- "Final Asbestos Survey Report Naval Station Treasure Island," Mare Island Naval Shipyard, December, 1995
- "Final Basewide Environmental Baseline Survey Report for Naval Station Treasure Island," ERM-West, Inc., May, 1995 (basewide EBS)
- "Final Environmental Baseline Survey Sampling Workplan for Naval Station Treasure Island," ERM-West, Inc., April, 1996
- "Final Site-Specific Environmental Baseline Survey (SSEBS) for Parcels T081, T082, T083, T109, T110, and T111 to Support the Lease of the Proposed Police Training Academy at Naval Station Treasure Island," Department of the Navy, Engineering Field Activity West, PRC and GAIA Consulting, Inc., December, 1996

- "Final Site-Specific Environmental Baseline Survey for Reuse Zone 2 at Naval Station Treasure Island," Department of the Navy, Engineering Field Activity West, PRC and U&A, August, 1997
- "Guidelines for Evaluation and Control of Lead-Based Paint Hazards in Housing," Department of Housing and Urban Development, June, 1995
- "Phase IIB Remedial Investigation Summary of Validated Data, Naval Station Treasure Island," Department of the Navy, Engineering Field Activity West, PRC, May, 1996
- "Workplan Abandonment and Removal of Inactive Fuel Pipelines Naval Station Treasure Island, California," Subsurface Consultants, Inc., June, 1995

2.0 PROPERTY DESCRIPTION

Reuse Zone 2B, which is located in the eastern portion of NAVSTA TI, encompasses 22.97 acres and consists of Parcels T011, T012, T013, T015, T016, T017, T018, T019, T020, T023, T024, T025, and a portion of Parcel T026. Nine buildings or structures currently occupy Reuse Zone 2B. Open space surrounding these buildings includes paved asphalt roadways and parking lots, concrete sidewalks, grass and gravel landscaping, and bare soil. The building information for each parcel in Reuse Zone 2B is summarized in Table 1 at the end of this FOSL. Historical information regarding Reuse Zone 2B can be found in the final Site-Specific Environmental Baseline Survey (SSEBS) for Reuse Zone 2.

Reuse Zone 2B is bounded by Parcels T027, T042, and a portion of Parcel T026 to the west, Parcels T014 and T056 to the north, San Francisco Bay and Parcel T010 to the east, and Parcels T006 and T008 to the south. A portion of Installation Restoration (IR) Site 15 is included in Reuse Zone 2B. The remainder of IR Site 15 borders the reuse zone to the east.

Parcel T011. One building (Building 7) occupies the entire parcel area (see Table 1). Building 7 (68,304 square feet) is a two-story, wood building built on a concrete slab. This building was built in 1938, and has been used as administrative offices.

Parcel T012. Parcel T012 consists entirely of open space surrounding Buildings 7 (Parcel T011) and 233 (Parcel T013). The open space is completely paved and consists of an asphalt parking lot and roadways, as well as concrete sidewalks.

Parcel T013. One building (Building 233) occupies the entire area of Parcel T013 (see Table 1). Building 233 (18,790 square feet) is a two-story, wood building built on a concrete slab. This building was built in 1944, and has been used for administrative offices and classrooms.

Parcel T015. One building (Building 530) and one unnumbered structure occupy less than 10 percent of Parcel T015 (see Table 1). Building 530 (approximately 5,600 square feet) is a single-story, steel frame building built on a concrete slab. This building was constructed in 1987 and is used as a boiler plant. The unnumbered structure (105 square feet) is a steel building which is used for storage. The remaining 90 percent of the parcel area is open space. Eighty percent of the open space is grass and gravel landscaping, 15 percent is asphalt roadways, and 5 percent is concrete.

Parcel T016. One building (Building 396) occupies less than 1 percent of Parcel T016 (see Table 1). Building 396 (25 square feet) is Sewage Lift Station No. 6 and was constructed in 1944. The remaining 99 percent of the parcel is open space which consists of an asphalt parking area (60 percent) and bare soil (40 percent).

Parcel T017. One hundred percent of Parcel T017 is comprised of Building 34 (see Table 1). This 19,038 square- foot building, constructed of wood and concrete in 1942, has been used as a commissary.

Parcel T018. One building (Building 91) occupies less than 2 percent of Parcel T018, which surrounds Parcel T017 (see Table 1). Building 91 (480 square feet) is a small guest room and laundry room annex to Building 34 on Parcel T017. The remaining 98 percent of the parcel is open space which consists of grass landscaping (60 percent), asphalt (20 percent) and concrete (20 percent).

Parcel T019. Parcel T019 consists entirely of open space. Twenty percent of the open space is an asphalt roadway, and the remaining 80 percent is covered by grass landscaping.

Parcel T020. Parcel T020 consists entirely of open space. Twenty percent of the open space is an asphalt roadway, 5 percent is concrete, and the remaining 75 percent is covered by grass landscaping.

Parcel T023. One building (Building 450) occupies 40 percent of Parcel T023 (see Table 1). Building 450 (71,414 square feet) is a three-story, wood building built on a concrete slab. This building was constructed in 1968 and has been used as offices. The remaining 60 percent of the parcel area is open

space. Fifty percent of the open space is an asphalt parking area and roadways, 40 percent is grass landscaping, and 10 percent is concrete.

Parcel T024. One building (Building 395) occupies less than 1 percent of Parcel T024 (see Table 1). Building 395 (48 square feet) is Sewage Lift Station No. 4. The remaining 99 percent of the parcel is open space covered by grass landscaping. The parcel is occasionally used as a physical training area.

Parcel T025. Parcel T025 consists entirely of open space. Ninety-five percent of the open space consists of grass landscaping and bare soil, and the remaining 5 percent is concrete.

Parcel T026. The portion of Parcel T026 which is included in Reuse Zone 2B consists entirely of open space including a grassy field surrounded by trees, a small parking area, and an asphalt roadway.

3.0 REGULATORY COORDINATION

The California Department of Toxic Substances Control (DTSC), the California Regional Water Quality Control Board, and the U.S. Environmental Protection Agency (EPA) were notified at the initiation of the SSEBS and this FOSL and were provided with draft versions of the documents to facilitate their consultative role in developing the documents. Regulatory comments received during the FOSL development have been reviewed, addressed, or incorporated into the document as appropriate. A scoping meeting was conducted between the Navy and the regulatory agencies on March 19, 1997, before the SSEBS was conducted and before the FOSL was prepared.

The EPA and DTSC disagree with the U.S. Department of Defense (DoD) guidelines on lead-based paint as presented in Section 6.6 of this FOSL. It is EPA's and DTSC's position that contamination of soil resulting from lead-based paint constitutes a Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) release.

4.0 NATIONAL ENVIRONMENTAL POLICY ACT COMPLIANCE

In accordance with the requirements of the National Environmental Policy Act (NEPA) and the Navy's Environmental and Natural Resources Program Manual (OPNAVINST 5090.1B), a NEPA document shall accompany this FOSL.

5.0 ENVIRONMENTAL CONDITION OF THE PROPERTY

As outlined in the SSEBS for Reuse Zone 2 at NAVSTA TI, Parcels T013, T025, and T026 are classified as environmental condition of property (ECP) area type 1. Parcels T011, T017, T018, T019, T020, T023, and T024 are classified as ECP area type 2-7. Parcels T012, T015, and T016 are classified as ECP area type 7.

ECP area type 1 identifies areas at which no release or disposal of hazardous substances or petroleum products has occurred (including migration of these substances from adjacent areas). ECP area type 2-7 identifies areas at which the release or disposal of petroleum hydrocarbons is suspected to have occurred, but which requires further evaluation. ECP area type 7 identifies areas that require further evaluation.

~~All parcels in Reuse Zone 2B are eligible for lease, but not all parcels are eligible for transfer.~~ Based on the ECP classifications, parcels in ECP area type 1 through 6 are eligible for transfer. Therefore, the three parcels in Reuse Zone 2B which remain as ECP area type 7 (Parcels T012, T015, and T016) are the only parcels not eligible for transfer at this time.

6.0 LEASE NOTIFICATIONS AND RESTRICTIONS

The environmental documents listed in Section 1.b of this FOSL were evaluated to identify environmental factors that require specific restrictions under the lease to preclude threats to human health or the environment, or that require notification to the lessee. The factors that were considered are listed in Table 2 at the end of this FOSL. The factors that require either restrictions or notification are also identified in Table 2 and are discussed in Sections 6.1 through 6.7. The Navy has determined that the remaining factors listed in Table 2 pose no significant threat to human health or the environment and, therefore, require neither restrictions in the lease nor notifications to the lessee. All lease restrictions must also be made part of all subleases within Reuse Zone 2B, and all references to lessees and leases in this document also include all authorized sublessees and subleases.

6.1 HAZARDOUS SUBSTANCES NOTIFICATION

Hazardous substances that require notification have been stored or used at Parcel T015, as indicated in the SSEBS for Reuse Zone 2. No CERCLA hazardous materials requiring notification were found during the basewide EBS site inspection for Parcels T011, T012, T013, T016, T017, T018, T019, T020, T023, T024, T025, and T026. This information is also summarized in the basewide EBS. The Community Environmental Response Facilitation Act (CERFA) requires the notification of CERCLA hazardous substances stored on the parcel for greater than one year, and in amounts greater than or equal to 1,000 kilograms (kg), or the substance's CERCLA reportable quantity, whichever is greater. The notification requirement also applies to the release or disposal of hazardous substances greater than or equal to 1,000 kg or the substance's reportable quantity, whichever is greater. The notice of hazardous substances is provided in Table 3 at the end of this FOSL. The hazardous substances listed in Table 3 may not have been stored on the parcel for greater than one year, but were observed during the basewide EBS site inspection. However, these hazardous substances were not present during the July 15, 1997 site inspection.

6.2 INSTALLATION RESTORATION PROGRAM AND AREAS OF CONCERN

A portion of Installation Restoration (IR) Site 15 is located within Reuse Zone 2B on Parcels T016 and T018. Analysis of samples collected from monitoring wells, hydraulic punch locations, and soil borings at IR Site 15 within Reuse Zone 2B indicated that low levels of total petroleum hydrocarbons as gasoline, diesel, and motor oil are present in both groundwater and soil samples. One volatile organic compound, total xylenes, is present at low levels in the groundwater samples. Total xylenes and ethylbenzene were found at low levels in soil samples. Trace concentrations of semivolatile organic compounds were also detected in the soil and groundwater samples collected from this site. The detected constituents were evaluated in the risk evaluation presented in the SSEBS for Reuse Zone 2 and are not expected to be of concern for the proposed reuse of Reuse Zone 2B. Remedial activities at IR Site 15 are scheduled to begin in approximately 18 months. Remedial activities for IR Site 15 may potentially impact Parcels T016, T017, and T018.

The boundary of IR Site 24 is adjacent to Reuse Zone 2B to the northwest. However, contamination associated with IR Site 24 is located approximately 300 feet away from Reuse Zone 2B; therefore, remedial activity at IR Site 24 is unlikely to impact any parcels in Reuse Zone 2B.

Notification. The Navy and recognized regulatory agencies will be allowed unrestricted access to the leased property to conduct investigations and surveys, collect samples, remove fuel lines, perform remediation, access monitoring wells, or engage in other activities associated with the IR and other environmental programs.

Restriction. The lessee will be restricted from conducting excavation, drilling, or other ground-disturbing activities, other than minor repairs of the pavement at Reuse Zone 2B without prior written Navy approval and Navy coordination with applicable federal and state regulatory agencies, as necessary. This lease restriction will not apply to routine landscaping activities. In addition, use of groundwater at NAVSTA TI is prohibited. The lessee will be prohibited from installing any groundwater wells or otherwise using groundwater at the subject property. The lessee shall not damage existing or future groundwater monitoring wells. The lessee will be responsible for any damage it causes to the wells. The lessee shall not interfere with the ongoing IR and other environmental program activities.

It is possible that the lease area may remain accessible to and be occupied by the lessee during any remedial activities; in this case, access restrictions may include requiring the lessee to enter the leased premises via a specific route. Noise, traffic, and other nuisances associated with construction may be expected.

6.3 PETROLEUM PRODUCTS AND DERIVATIVES

The Navy is scheduled to begin removal of underground fuel lines beneath Parcels T011 and T012 in fiscal year 1997. Fuel lines on Parcels T015, T016, T018, T020, T023, and T024 will not be removed at this time. The presence of fuel lines on Parcels T017 and T019 has not been verified. The future fuel line removal activity may impact the lessee at these parcels.

Notification. For the purposes of this lease, no notifications are required with respect to petroleum products and derivatives.

Restriction. The restrictions outlined in Section 6.2 shall also apply at all parcels at which underground fuel lines have been found.

6.4 STORAGE TANKS

No underground storage tanks (UST) are currently located in Reuse Zone 2B. One aboveground storage tank (AST) (AST 34A) is located on Parcel T018 in a fenced-in, concrete-paved area adjacent to an emergency generator. Another AST (AST 34B) was formerly located on Parcel T018. The date of removal of AST 34B is unknown. In 1941, an AST was installed outside of Building 7 on Parcel T012; this AST was removed prior to 1994.

Notification. For the purposes of this lease, no notifications are required with respect to storage tanks.

Restriction. The Navy will be allowed unrestricted access to enter upon the leased premises to access AST locations as necessary.

6.5 ASBESTOS-CONTAINING MATERIALS

Because of the age of the buildings currently located within Reuse Zone 2B, asbestos-containing material (ACM) may be present within some of the buildings. An asbestos inspection was conducted at NAVSTA TI by Mare Island Naval Shipyard in the winter of 1995. ACM was identified in Buildings 7, 34, 233, and 450. Any damaged, friable, and accessible ACM identified at buildings in Reuse Zone 2B will be abated by the Navy prior to the lease. ACM may also be present in insulation around the steam pipes at some of the parcels. Pipes are likely to be located in the walls and crawl spaces within the buildings as well as in the ground leading to the buildings. Because of access difficulties, it is unlikely that any asbestos-wrapped steam lines would pose a threat to human health.

Notification. For the purposes of this lease, no notifications are required with respect to ACM.

Restriction. The lease will require the lessee to conduct routine evaluations of the condition of existing ACM and comply with all applicable federal, state, and local laws relating to asbestos. Before reconstruction or remodeling, the lessee must submit plans to the Navy to prevent an inadvertent disturbance of potential ACM. For the purpose of this lease, the lessee will agree that during its use and occupancy of the property, it will bear all costs for managing the ACM properly. The Navy will require the lessee to (1) obtain written Navy approval prior to any construction or modification to any building or structure and (2) submit an ACM management plan to the Navy within 30 days of leasing the property.

6.6 LEAD-BASED PAINT (LOW-PRIORITY FACILITIES)

No lead-based paint survey has been conducted at the buildings in Reuse Zone 2B. DoD policy does not require lead-based paint surveys for industrial or commercial buildings unless the buildings will be reused for residential purposes. Buildings constructed prior to 1978 may contain lead-based paint. As outlined in Table 1, seven buildings in Reuse Zone 2B were built before 1978. In addition, lead may also be present in the soil surrounding the buildings.

The EPA and DTSC disagree with the DoD guidelines on lead-based paint. It is EPA's and DTSC's position that contamination of soil resulting from lead-based paint constitutes a CERCLA release.

Notification. Buildings built before 1978 may contain lead-based paint. Lead from paint, paint chips, and dust can pose health hazards if not managed properly. Lead exposure is especially harmful to young children and pregnant women. The lessee is hereby informed and does acknowledge that buildings located in Reuse Zone 2B may contain lead-based paint in the interior and exterior components of the building.

Restriction. The lessee shall not permit the use of the facilities for residential habitation unless the lessee has effectively eliminated lead-based paint hazards, in accordance with the "Guidelines for Evaluation and Control of Lead Based Paint Hazards in Housing," promulgated by the Department of Housing and Urban Development (1995) pursuant to Title X of U.S. Public Law 102-550. The term "residential" includes any house, apartment, or structure intended for human habitation, including but not limited to nondwelling facilities that may be commonly used by children under seven years of age such as a childcare facility, elementary school, or playground. The lease will require the lessee to monitor the condition of the existing lead-based paint, eliminate any hazard that develops from lead-based paint during the lease, and comply with all applicable laws and regulations relating to lead-based paint. The Navy will also require the lessee to obtain written Navy approval prior to any construction, modification, or demolition to any building or structure and to submit an appropriate lead-based paint remediation or disposal plan to the Navy prior to any construction or modification.

6.7 HAZARDOUS WASTE MANAGEMENT (BY LESSEE)

The lessee is not anticipated to use any regulated quantities of hazardous materials on the property.

Notification. For the purposes of this lease, no notifications are required with respect to hazardous waste management.

Restriction. The lessee will be required through the lease to comply with all applicable laws and regulations pertaining to the use, treatment, storage, disposal, and transport of hazardous materials.

7.0 SUMMARY OF LEASE RESTRICTIONS

Parcels T011, T012, T013, T015, T016, T017, T018, T019, T020, T023, T024, T025, and a portion of Parcel T026 may be used pursuant to the proposed lease, with the following specified use restrictions in the lease:

a) The lessee will be required through the lease to comply with all applicable laws and regulations pertaining to the use, treatment, storage, disposal, and transport of hazardous materials.

b) The lessee shall not interfere with the ongoing IR and other environmental program activities. The lessee will be prohibited from damaging any existing or future groundwater monitoring wells, and will be responsible for any damage done to these wells.

c) The lessee will be restricted from conducting excavation, drilling, or other ground-disturbing activities other than minor repairs of the pavement at Reuse Zone 2B without prior written Navy approval and Navy coordination with applicable federal and state regulatory agencies, as necessary. This lease restriction will not apply to routine landscaping activities.

d) Use of groundwater at NAVSTA TI is prohibited. The lessee will be prohibited from installing any groundwater wells or otherwise using groundwater at the subject property. The lessee shall not damage existing or future groundwater monitoring wells. The lessee will be responsible for any damage it causes to the wells.

e) It is possible that the lease area may remain accessible to and be occupied by the lessee during any remedial activities; in this case, access restrictions may include requiring the lessee to enter the leased premises via a specific route.

f) The lessee will be required to conduct routine evaluations of the condition of existing ACM and to comply with all applicable federal, state, and local laws relating to asbestos.

Before reconstruction or remodeling, the lessee must submit plans to the Navy to prevent an inadvertent disturbance of potential ACM. For the purposes of this lease, the lessee will agree that during its use and occupancy of the subject property, it will bear all costs for managing the ACM properly. The Navy will also require the lessee to (1) obtain written Navy approval prior to any construction or modification to any building or structure and (2) submit an ACM management plan to the Navy within 30 days of leasing the property.

g) The lessee shall not permit the use of the facilities for residential habitation unless the lessee has effectively eliminated lead-based paint hazards. The lease will require the lessee to monitor the condition of the existing lead-based paint, eliminate any hazard that develops from lead-based paint during the lease, and comply with all applicable laws and regulations relating to lead-based paint. The Navy will also require the lessee to obtain written Navy approval prior to any construction, modification, or demolition to any building or structure and to submit an appropriate lead-based paint remediation or disposal plan to the Navy prior to any construction or modification.

h) The lessee will be responsible for obtaining all necessary permits and licenses for their own operation. Any violation of permit conditions will be grounds to require the lessee to cease operations or to terminate the lease.

i) Uses by the lessee are limited to a type and nature described in the lease document.

8.0 FINDING OF SUITABILITY TO LEASE

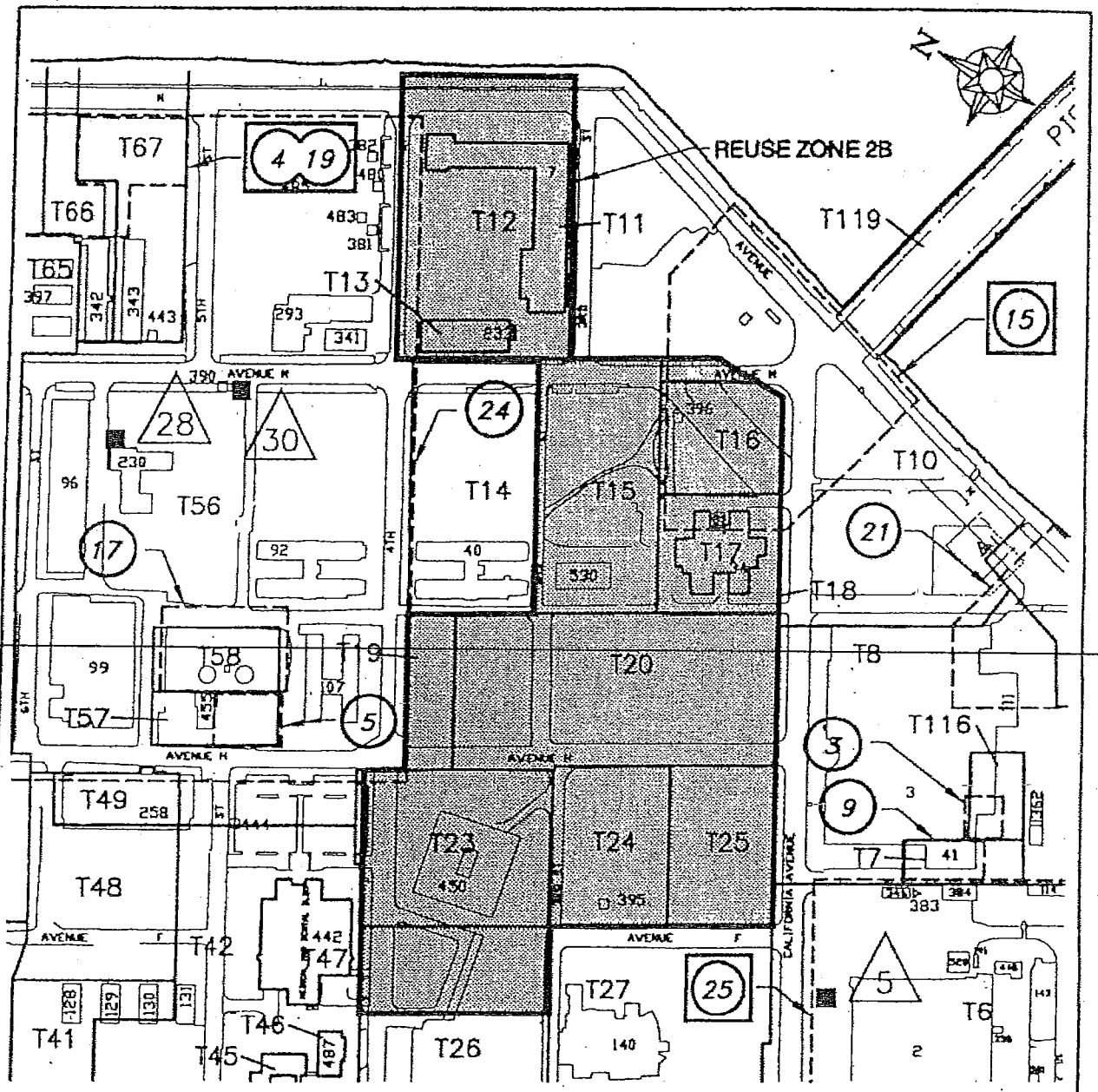
Based on the foregoing information and analysis, I find that the subject property (as identified in Section 2.0) is suitable to lease and may be used pursuant to the proposed lease, with the specified use restrictions in the lease, with acceptable risk to human health or the environment, and without interference with the environmental restoration process.

12/17/97

Date

ERNEST R. HUNTER
CAPTAIN, CEC, USN
Commanding Officer
Engineering Field Activity, West
Naval Facilities Engineering Command

FIGURE



LEGEND

REUSE ZONE 2B

21 — LOCATION OF IR SITES

15 — LOCATION OF PETROLEUM SITES

28 — LOCATION OF USTs

T16 — PARCEL NUMBER

PARCEL BOUNDARY

APPROXIMATE IR OR PETROLEUM SITE BOUNDARY

INSTALLATION RESTORATION (IR)/PETROLEUM SITES

3 PCB EQUIPMENT STORAGE AREA
4 HYDRAULIC TRAINING SCHOOL
5 OLD BOILER PLANT
9 FOUNDRY
15 OLD FUEL FARM
17 TANKS 103/104
19 REFUSE TRANSFER AREA
21 VESSEL WASTE OIL RECOVERY
24 5TH STREET FUEL RELEASES (DRY CLEANING FACILITY)
25 SEAPLANE MAINTENANCE

UNDERGROUND STORAGE TANKS (USTs)

5 UST 2A (REMOVED)
28 UST 230 (REMOVED)
30 UST 234

FIGURE 1
NAVAL STATION TREASURE ISLAND
REUSE ZONE 2B

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TABLES

TABLE 1

PROPERTY DESCRIPTION
NAVAL STATION TREASURE ISLAND, REUSE ZONE 2B

Parcel	Acres	Building Number	Year Built	Building/Parcel Description
T011	0.81	7	1938	Administrative offices
T012	3.36	Open space	N/A	Asphalt parking lot and roadways and concrete sidewalks
T013	0.21	233	1944	Administrative offices and classrooms
T015	2.95	530 Unknown	1987 Unknown	Boiler plant Storage
T016	1.27	396	1944	Sewage lift station
T017	0.48	34	1942	Commissary
T018	0.88	91	1942	Restrooms and self-serve laundry
T019	0.71	Open space	N/A	Asphalt roadway and grass landscaping
T020	4.74	Open space	N/A	Asphalt roadways, concrete sidewalks, and grass landscaping
T023	2.76	450	1968	Offices
T024	1.74	395	1944	Sewage lift station
T025	1.56	Open space	N/A	Grass landscaping, bare soil, and concrete
Portion of T026	1.5	Open space	N/A	Grassy field and asphalt roadway and parking area

Note:

N/A Not applicable

TABLE 2

ENVIRONMENTAL FACTORS AND RESOURCES CONSIDERED
FOR REUSE ZONE 2B

Environmental Factors Considered	Lease Restriction or Notification Required?
Hazardous Substances (Notification)	Yes
Installation Restoration (IR) Program and Areas of Concern	Yes
Medical/Biohazardous Wastes	No
Oil/Water Separators	No
Unexploded Ordnance	No
Petroleum Products and Derivatives	Yes
Radioactive and Mixed Wastes	No
Storage Tanks	Yes
Asbestos	Yes
Drinking Water Quality	No
Indoor Air Quality	No
Lead-Based Paint (High-Priority Facilities)	No
Lead-Based Paint (Low-Priority Facilities)	Yes
Polychlorinated Biphenyls	No
Radon	No
Air Conformity/Air Permits	No
Energy (Utilities such as Natural Gas, Electric, and Coal)	No
Flood Plains	No
Hazardous Waste Management (by Lessee)	Yes
Historic Property (Archeological/Native American, Paleontological)	No
Occupational Safety and Health Administration	No
Outdoor Air Quality	No
Prime/Unique Farmlands	No
Sanitary Sewer Systems (Wastewater)	No
Sensitive Habitat	No
Septic Tanks (Wastewater)	No
Solid Wastes	No
Threatened/Endangered Species	No
Transportation	No
Wetlands	No

TABLE 3

NOTICE OF HAZARDOUS SUBSTANCES STORED AT REUSE ZONE 2B
(Parcels T011, T012, T013, T015, T016, T017, T018, T019, T020, T023, T024, T025, and a portion of T026)
Notice is hereby provided that the following hazardous substances are known to have been stored on Parcel T015.

Parcel	Facility Number	Facility Name	Hazardous Substance(s)	Quantity Stored	Dates Stored
T015	Open space	N/A	Corrosives (sulfuric acid, caustic soda)	500 gallons	Observed in 1995

Notes: N/A - Not Applicable

Source: "Final Basewide Environmental Baseline Survey Report for Naval Station Treasure Island," ERM-West, Inc., 1995

FINDING OF SUITABILITY TO LEASE (FOSL) - PARCELS T007, T008, T010, T014 AND T116 AT NAVAL STATION TREASURE ISLAND

Prepared for:

Engineering Field Activitiy West
Naval Facility Engineering Command
San Bruno, California
Contract No. N62474-92-D-3607
Delivery Order 0007

Prepared by:

ERM-West, Inc.
1777 Botelho Drive Suite 260
Walnut Creek, CA 94596

July 19, 1996

SECTION 1

FINDING OF SUITABILITY TO LEASE FOR PARCELS T007, T008, T010, T014, AND T116 AT NAVAL STATION TREASURE ISLAND

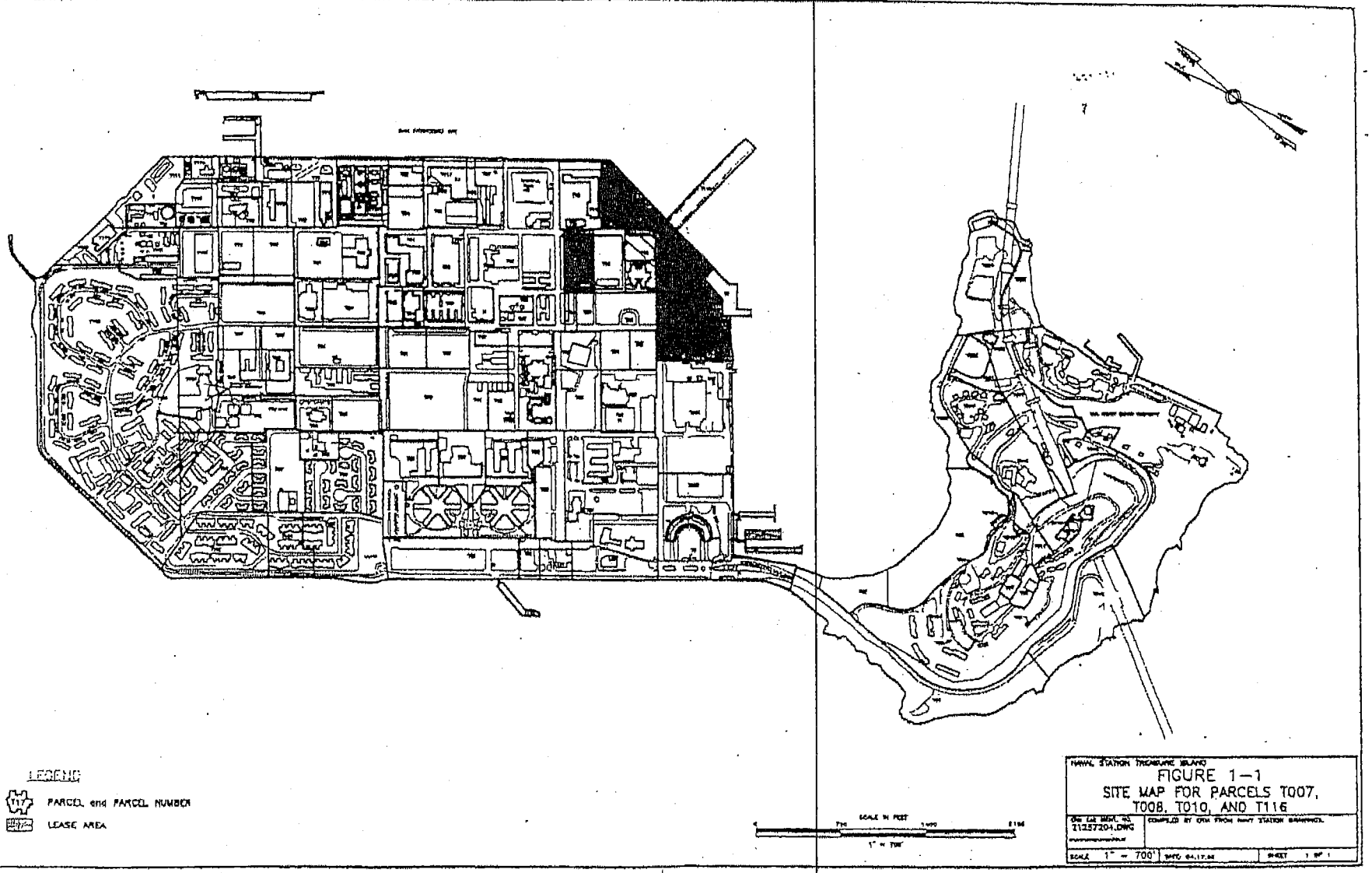
1. Purpose

a. The purpose of this Finding of Suitability to Lease[1] (FOSL) is to document environmentally-related findings regarding the proposed lease of property at Naval Station Treasure Island (NSTI) in San Francisco County, California. The property is described in Section 2 below and is shown in Figure 1-1. The subject property will be leased to the City of San Francisco for use as a movie production facility. The subject property and buildings are currently owned by the US Navy.

b. This FOSL is a result of a thorough analysis of the information contained in the following documents:

- *Final Limited Environmental Baseline Survey/Community Environmental Response Facilitation Act Report for Naval Station Treasure Island,* ERM-West, Inc., December 1, 1994 (EBS CERFA Report);
- *Basewide Environmental Baseline Survey Report for Naval Station Treasure Island,* ERM-West, Inc., May 19, 1995 (Basewide EBS); and
- *Site-Specific Environmental Baseline Survey, Parcels T007, T008, T010, T014, and T116 at Naval Station Treasure Island,* ERM-West, Inc., June 1996 (Site-Specific EBS).

[1] This FOSL has been prepared in accordance with the *Defense Environmental Response Task Force (DERFT) Draft Model FOSL,* May 20, 1994.


LEGEND
PARCEL and PARCEL NUMBER
LEASE AREA
SCALE IN FEET
1" = 700'
NAVAL STATION TREASURE ISLAND
FIGURE 1-1
SITE MAP FOR PARCELS T007, T008, T010, AND T116
SCALE 1" = 700'

2. Property Description

The subject property occupies a total of approximately 17.5, and consists of Parcels T007 (0.5 acres), T008 (6.5 acres), T010 (7.1 acres), T014 (2.8 acres), and T116 (0.5 acres), as shown on Figure 1-1. One large building (Building 3) and thirteen smaller buildings/structures occupy the total parcel area. Open space at the subject property consists of grassy landscaped areas and concrete/asphalt paved walkways, roadways, and parking areas. The majority of the subject property is not fenced.

Building 3, which is the largest building on the subject property, has been used for ship maintenance and as a machinist instruction school. Significant historic activities at the subject property also include a former electrical equipment storage area (IR Site 3), a former foundry (IR Site 9), the old fuel farm (IR Site 15), and the vessel oil recovery area (IR Site 21).

Parcel T007 - Buildings and Open Space

Parcel T007, which is 0.5 acres in size, is also known as IR Site 9 (Foundry). Two buildings (Buildings 361 and 41) currently occupy 30 percent of the parcel, and have been present since at least 1943. Building 41 (6,650 square feet) has most recently been used as a wood shop for movie sets, but is currently vacant. It was reportedly used as a foundry from 1943 to 1947, as a paint booth from 1953 to 1968, and as a welding shop from 1981 to 1987. Building 361 (100 square feet) appears to have consistently been used as a boiler room. The remaining 70 percent of the parcel is paved open space that is used for vehicle parking.

Parcel T008 - Buildings and Open Space

Parcel T008 is 6.5 acres in size. Eight buildings (Buildings 3, 111, 289, 290, 325, 355, 362, and 394) occupy 70 percent of the parcel. The remaining 30 percent of the parcel is open space. Parcel T008 contains part of IR Site 21.

Building 3 (144,800 square feet) is the largest building on the subject parcel; currently this building is empty. Most recently, it housed the Shore Intermediate Maintenance (SIMA) Facility, port control services, Damage Control Services (DCS), and an applied instruction school (e.g., welding, cutting, brazing). Historically, Building 3 was used as a World's Fair exhibition hall, and subsequently as an aircraft (Clipper

Ship) maintenance area. Photolab operations were conducted inside Building 3 in the 1940s.

Building 111 (5,500 square feet) was used previously as the old fire house, but was abandoned in 1989 due to earthquake damage. Building 355 (980 square feet) formerly housed sandblasting operations, but recently served as a storage area. Building 394 (56 square feet) is a sump house. The other buildings (Buildings 289, 290, 325, 362) were most recently used as storage areas (the buildings are all less than 1,000 square feet in size); Building 325 was also reportedly used as a pest control shop. Buildings 113 (a lumber shed) and 386 (storage) were formerly located on this parcel.

The open space is landscaped on the north side of Building 3; in addition, a small unpaved area exists along the shore of Clipper Cove on the southern side of the parcel. The remainder of the parcel is paved and is used for vehicle parking. Until recently, fire fighting foam and gangplanks were also stored in the paved, open space area.

Parcel T010 -Buildings and Open Space

Parcel T010 is 7.1 acres in size. Two small unnumbered buildings (apparently associated with Sewage Lift Station 111) and Sewage Lift Station 111 occupy less than one percent of the parcel. The remaining area is open space. Most of the northern portion of the parcel (between Avenue N and Third Street) is an unpaved open space. This northern portion has apparently been unpaved since the 1940s. The remainder of the parcel is paved, and used primarily for vehicle parking and roadways. A helicopter landing pad is located near the southern parcel boundary.

Historically, the parcel was apparently used for fuel storage, fuel dispensing, vehicle and equipment storage, and parking. IR Site 15 (Old Fuel Farm) was initially believed to be located directly west of Parcel T010 on Parcel T016; however, it appears that the old fuel farm was actually located on Parcel T010.

Several small buildings (Buildings 82, 83, 84, 87, 272, 274, 295, 323, 340, and 387) were also formerly present at this parcel. Buildings 82 and 83 (both demolished prior to 1977) served as a gasoline station and a lubricating station, respectively. Building 84 served as a gasoline pump house and was demolished prior to 1961. Building 87 was reportedly an incinerator and was demolished prior to 1971. The six other buildings previously present at Parcel T010, are as follows: Building 274 (demolished by 1961) was a dynamometer shop; Building 323 (demolished by 1961) was identified as a gun trainer; Building 340

(demolished by 1961) served as the dock master's office; Building 295 (demolished by 1971) was a storage building that also contained a generator; Building 387 (demolished by 1971) was a storage building; and Building 272 (demolished in 1985) served as an electrical substation.

Historically, four piers extended from the southeast border of the parcel into the bay. One pier was demolished between 1971 and 1976; the other three piers were demolished, and Pier 1 (Parcel T119) was constructed in 1985.

Parcel T014 -Buildings and Open Space

The total parcel area (2.8 acres) consists of a large grassy undeveloped area, the grounds containing and surrounding Building 40, and a vehicle roadway (Avenues I and M). Building 40 occupies approximately 15 percent of the parcel. Building 40 (13,700 square feet) is a single-story building of wood construction, built on a wood platform, currently used by the Navy Band. The remaining 85 percent of the parcel is open space, covered by grass (90%), asphalt (8%), and concrete (2%).

EBS information, which consists of historical aerial photographs, blueprints, building records, and interviews, indicates that Building 40 was constructed in 1942 as a "temporary" structure, and has been present at the parcel since that time. Building 40 has been used as an electronics classroom and laboratory, an isolation ward, a barracks, a supply center, and a Sunday School. Buildings 38 and 39 were previously located on Parcel T014, and were used, as barracks, classrooms, and urology wards. Building 39 was demolished prior to December 1961; Building 38 was demolished prior to December 1971. Historical aerial photographs of Parcel T014 indicate that the open space has consistently contained a large undeveloped grassy area.

Parcel T116 - Buildings and Open Space

Parcel T116, 0.5 acres in size, is IR Site 3 (PCB Equipment Storage Area). The southwest corner of Building 3 occupies approximately 10 percent of the parcel. This part of Building 3 currently houses a paint shop associated with set construction and transformer room/electrical substation. Two permanent walk-in hazardous materials storage lockers (3A and 3B) are also located on the parcel. The remaining 90 percent of the parcel is open space. The open space is used for recreational purposes (a barbecue area) and vehicle parking. Empty, open containers of paint and lacquer thinner are also stored in the

paved area of the open space. The recreational area is covered with grass, and the remainder of the open space is paved.

Historically, the parcel was used as a vehicle roadway and for storage and maintenance of PCB-containing electrical equipment.

3. National Environmental Policy Act (NEPA) Compliance

A NEPA document is currently being prepared by the Navy and shall accompany this FOSL.

4. Environmental Condition of the Property

Based on a review of the Basewide EBS report for NSTI, which included a visual site inspection of the parcels, and on findings presented in the Site-Specific EBS, Parcels T007, T008, T010, T014, and T116 have been classified as follows:

- Parcel T007, T008, and T010 have been classified as BRAC Area Type 6 (which identifies areas where storage, release, disposal, and/or migration of hazardous substances or petroleum products has occurred, but required response actions have not yet been implemented) because of the presence of elevated concentrations of compounds detected at IR Sites 9, 21, and 15, respectively.

- Parcels T014, and T116 have been classified as BRAC Area Type 7 (which identifies areas where investigation results show that the presence of sources or releases of hazardous substances and/or petroleum products is suspected, but not well characterized) due to the concerns pertaining to storm sewer lines, and inactive fuel lines. Also, although neighboring IR Sites do not appear to have impacted the subject property, unresolved issues still exist at neighboring parcels. These issues must be resolved through additional investigation and/or assessment before Parcels T014 and T016 can be reclassified to another BRAC Area Type.

IR Sites 9, 15, and 21 appear to have impacted their respective parcels; IR Site 3 has been classified as requiring no further action. Volatile organic compounds (VOCs), semivolatile organic compounds (SVOCs), petroleum hydrocarbons, and several metals have been detected at the subject property. The potential exposure pathways associated with these constituents were identified and evaluated in the Site-Specific EBS to determine whether they are complete. All exposure pathways

are currently incomplete, except the potential VOC inhalation pathway, associated with releases of VOCs from soil, soil gas, and/or ground water from IR Site 21, located off the southeast corner of Building 3. The incomplete pathways will remain so through the implementation of administrative controls.

Soil vapor sampling and ambient and indoor air sampling were conducted to assess the potential VOC inhalation pathway in and around Building 3. The results of the soil vapor sampling and air sampling indicate that the VOCs of concern (TCE, PCE, 1,2-DCE and vinyl chloride) were not present above the laboratory method detection limit inside Building 3. Thus, the VOCs are not likely to contribute to worker exposure.

All of the parcels at the subject property are considered suitable for lease provided the appropriate lease restrictions are followed. A listing of environmental factors and resources considered in the site specific EBS is provided in Table 1. Hazardous substances known to have been ~~stored or released at the subject property are provided in Tables 2 and 3,~~ respectively, of this FOSL. No hazardous substances are known to have been disposed of at the subject property.

5. Lease Restrictions and Notifications

The environmental documents listed in Section 1b of this FOSL were evaluated to identify environmental factors (Table 1) which require specific restrictions under the lease to preclude threat to human health or the environment, or require notifications to the lessee. The factors that require either lease restrictions or notifications are identified in Table 1 and are discussed below.

The Navy has determined that the remaining factors listed in Table 1 pose no threat to human health or the environment, and therefore require neither restrictions in the lease nor notifications to the Lessee.

5.1 Hazardous Substances Notification

Hazardous substances have been stored and/or used within subject property as indicated in the site-specific EBS. This information has also been described in the Basewide EBS report for NSTI. Hazardous substances known to have been stored in subject property are provided on Table 2, and are summarized below.

Parcel T007: At the time of the site inspection, chemical storage on the parcel was limited to one 55-gallon drum of alkaline sodium silicate (steam cleaning compound). However, historically, Building 41 had been used as a foundry (1943-1947) and as a paint shop (1953-1968), and as a welding shop (1981-1987).

Parcel T008: Chemical storage at Building 3 was observed to have included small quantities of battery water (sulfuric acid), several hundred gallons of paint, paint thinner, lubricating oil and hydraulic fluid, and eight four-by-four foot pallets of dry potassium superoxide (oxidizer). The 1993 chemical inventory for this building reports approximately 320 gallons of non-halogenated organics, 450 gallons of petroleum and fuel products, 140 gallons of cleaning products, and 6 gallons of corrosives. In 1992, reported hazardous waste generation activities by SIMA and Port Operations were as follows: waste oil (16,850 lbs per year), solvents and adhesives (3,460 lbs per year), paint (3,300 lbs per year), aerosol cans (160 lbs per year), and miscellaneous hazardous waste (160 lbs per year). Photoprocessing operations reportedly occurred in Building 3 during the 1940s. In addition, maintenance of seaplanes occurred within and around Building 3 during the 1940s, and involved the use of fuels and petroleum products, solvents, paints, etc. According to interview information, a tank of "chemical cleaner" was historically located behind Building 3, however the location could not be confirmed.

Chemical storage at Building 290 was observed in 1994 to consist of approximately 100 gallons of nonhalogenated organics (paint & solvents).

Chemical storage in Building 325 was observed in 1994 to include approximately 50 gallons of gasoline and 275 gallons of waste oil.

Chemical storage in the parcel's open space area was observed in 1994 to consist of 2,700 gallons of drummed fire fighting foam.

Parcel T010: No hazardous substances, with the exception of the petroleum products stored within ASTs at the old fuel farm (in the 1940s) are known to have been stored at this parcel. These ASTs are discussed in Section 2.1.5 of the Site-Specific EBS. Activities conducted in the former buildings at this parcel are likely to have involved hazardous substances. These buildings are: Buildings 82 and 83 (both demolished prior to 1977) served as a gasoline station and a lubricating station, respectively; Building 84 (demolished by 1961) served as a gasoline pump house; and Building 87 (demolished by 1971) was reportedly an incinerator.

Parcel T014: During the 1994 site inspection, less than 40 gallons of miscellaneous cleaning supplies were within Building 40. No chemical storage is known to have occurred at Building 40. However, Building 40 and former Buildings 38 and 39 were used as urological wards, isolation wards, and medical laboratories.

Parcel T116: According to historical information, batteries were formerly stored on the parcel. In 1994, up to 7,500 gallons of waste oil were observed to be stored on this parcel.

No reported releases have occurred at the subject property. Areas of suspected releases, due to former operations, have been classified as IR Sites (i.e., IR Sites 3, 9, 15, 21). No hazardous substances are known to have been disposed of at the subject property.

Uses by the lessee and/or authorized sublessee are limited to a type and nature of use that does not change significantly from the prior use (i.e., industrial).

The lessee and/or authorized sublessee shall be responsible for obtaining all necessary permits and licenses for their own operation. Any violation shall be grounds to require the lessee and/or authorized sublessee to cease operations or to terminate the lease. The lessee shall comply with CEQA requirements as applicable.

5.2 Installation Restoration Sites

The following IR Sites are located at the subject property: IR Site 3 (former PCB equipment Storage Area), IR Site 9 (Foundry), IR Site 15 (Old Fuel Farm), and IR Site 21 (Waste Oil Unloading Facility). Detailed discussion of IR site information is provided within the Site-Specific EBS report.

In summary, IR Sites 9, 15, and 21 appear to have impacted their respective parcels; however, IR Site 3 has been classified as requiring no further action. In addition, IR Sites 13, 17, 24, and 25 are located within 500 feet of the subject property. Neighboring IR Sites do not appear to have impacted the subject property.

The lessee may not interfere with the ongoing IR program. The Navy and recognized regulatory agencies reserve the right to enter upon the Leased Premises to conduct investigations and surveys, collect samples, perform remediation, access monitoring wells, or engage in other activities associated with the IR and other environmental programs.

Ground water samples collected at the subject property in association with IR site investigations have contained detectable concentrations of several constituents. Therefore, ground water use will not be permitted at subject property. The Navy, its subcontractors, and appropriate regulatory agencies will be allowed complete access for additional studies, investigations, and remediation, as necessary. The lessee and/or authorized sublessee shall be prohibited from installing any water wells at the Leased Premises or otherwise using ground water without prior approval by the Navy and recognized regulatory agencies, including the Regional Water Quality Control Board (RWQCB).

The Lessee and/or authorized sublessee shall be prohibited from digging or excavating, or otherwise disturbing flooring, soil, sediment, or pavement at the site, without prior approval from the Navy. The lessee shall submit all proposed construction and modification plans to the Navy for prior approval to ensure protection of human health and the environment at the leased premises. Any excavation, alteration, or modification to the exterior of the existing structures without written permission from the Navy is prohibited.

5.3 Petroleum Products and Derivatives

Several petroleum hydrocarbon compounds were detected in soil samples collected within subject property, and are discussed in detail in the site-specific EBS for the various parcels. In addition, underground inactive fuel lines are present throughout the subject property. Appropriate lease restrictions are detailed above under Section 5.2, Installation Restoration Sites.

5.4 Storage Tanks

No evidence of current or former ASTs or USTs were identified at Parcels T007, T008, and T014.

Parcel T010: Six ASTs formerly present at Parcel T010 were removed between 1943 and 1947 and reportedly transferred to the New Fuel Farm. These six tanks are believed to have comprised the Old Fuel Farm, and are being investigated as part of IR Site 15. ASTs #4M and #5M were both 210,000-gallon capacity diesel fuel tanks, and were located within secondary containment. The four other ASTs, which were collectively referred to as AST #6M, were 10,000-gallon capacity gasoline steel tanks. No USTs are known to exist at Parcel T010.

Parcel T116: No ASTs are known to exist at this parcel. Two USTs (#3A and #3B) were reported to be potentially located inside or adjacent to the transformer room of Building 3. These tanks reportedly had a capacity of 2,000 gallons, and were intended for spill containment for transformer coolant. However, according to the 1995 assessment of suspected USTs at NSTI, although a contract number for USTs #3A and #3B had been issued by WESTDIV, the contract for construction advertisement was never issued. This indicates that these USTs were never installed. During the site walk conducted for the assessment, no evidence was observed to indicate that the USTs for the transformer coolant recovery system had been installed.

The lessee and/or authorized sublessee will be required to provide written notification identifying any ASTs or USTs that are installed at the lease area. The lessee and/or authorized sublessee will be responsible for removal of any such ASTs or USTs upon termination of the lease, and must manage any such tanks in accordance with all applicable statutes and regulations and applicable lease agreements.

5.5 Asbestos

The following asbestos-containing material (ACM) issues have been observed at the subject property:

- At Parcel T007, during the site inspection, suspect friable ACM was observed on old steam pipes in Building 41, and on steam pipes and water tanks in Building 361.
- At Parcel T008, during the site inspection, suspect friable ACM materials identified include old steam pipes in Building 3.
- Underground steam lines, which are present throughout the subject property, may be insulated with friable ACM.

An ACM survey was conducted by Mare Island Naval Shipyard in December 1995. According to EFA West, no damaged and friable ACM was observed at the subject property. No remedial or removal actions are warranted or have been scheduled for the subject property.

The lessee will be provided with a list of leased buildings containing ACM. The lease will require the lessee to routinely evaluate the condition of existing ACM and comply with all applicable laws and regulations relating to asbestos. Prior to construction or remodeling, the lessee must submit plans to the Navy to prevent the unknowing disturbance of potential ACM. For the purpose of this lease, the Lessee

will agree that during its use and occupancy of the property, it will bear all costs for managing the ACM properly and will comply with applicable federal, state, and local laws related to asbestos.

5.6 Lead-Based Paint

A comprehensive lead-based paint survey has not been conducted at NSTI, since DOD policy does not require lead-based paint sampling at industrial buildings. Based on DOD policy, only residential buildings at NSTI have necessarily been surveyed for lead-based paint. No lead-based paint sampling data is available for Parcels T007, T008, T010, and T116. Buildings at these parcels were constructed prior to 1978 and therefore may contain lead-based paint. At Parcel T014, lead-based paint has been identified on Building 40 at concentrations of 102,009 ppm in base paint and 38,600 ppm in trim.

The lease will restrict construction, alteration, or modification (including paint stripping and sanding) without prior testing of the paint and notification, and approval by the Navy prior to the initiation of the activity.

5.7 Polychlorinated Biphenyls (PCBs)

PWC has completed a PCB survey of subject property and determined that PCB equipment and PCB-contaminated equipment is present in subject property. The lessee will be provided with a list indicating the equipment location and the status of PCB contamination associated with any electrical equipment. The Navy will be responsible for servicing and disposing of PCB-containing equipment.

5.8 Hazardous Waste Management

No RCRA/SWMU sites are present at the subject property. Previous hazardous waste generation activities are discussed above under Hazardous Substances, Section 5.1.

The lessee and/or authorized sublessee shall appropriately manage and dispose of any hazardous waste generated by the Lessee and or authorized sublessee in the lease area, in accordance with all applicable statutes and regulations and applicable lease agreements. The Lessee and/or authorized sublessee are also required to obtain their own EPA hazardous waste generator identification number.

6. Regulatory Coordination

The California Environmental Protection Agency (Cal-EPA), Department of Toxic Substances Control (DTSC), the Regional Water Quality Control Board (RWQCB), and the U.S. EPA were notified at the initiation of the EBS and the FOSL and were provided workable draft documents to facilitate their consultative role in development of the environmental documents. Regulatory comments received during the EBS and FOSL development will be reviewed, addressed, and incorporated, as appropriate.

The risk evaluation presented within the site-specific EBS concluded that the subject property is suitable for lease under the proposed industrial reuse scenario. The U.S. EPA and DTSC concur with this assessment. The agencies wish to acknowledge, however, that if information becomes available that changes the current understanding of the areas, appropriate evaluation of risk and any necessary risk management measures should be performed.

7. Unresolved Regulator Comments

All regulatory agency comments were addressed and/or incorporated into this document. There were no unresolved regulatory agency comments.

8. Finding of Suitability to Lease

Based on the foregoing information and analysis, I find that the subject property (as identified in Section 2.0) is suitable to lease and may be used pursuant to the proposed lease, with the specified use restrictions in the lease, with acceptable risk to human health or the environment and without interference with the environmental restoration process.

28 March 1997
Date

R.G. HOCKER JR.
CAPTAIN, CEC, USN
Commanding Officer
Engineering Field Activity, West
Naval Facilities Engineering Command

TABLE 1

Environmental Factors/Resources Considered for Parcels T007, T008, T010, T014, and T116

Environmental Factors Considered	Lease Restriction or Notification Required?
Hazardous Substances (Notification)	Yes
Installation Restoration Program (IRP) and Areas of Concern	Yes
Medical/Biohazardous Wastes	No
Oil/Water Separators (OWSs)	No
Unexploded Ordnance	No
Petroleum Products and Derivatives	Yes
Radioactive & Mixed Wastes	No
Storage Tanks (USTs/ASTs)	Yes
Asbestos	Yes
Drinking Water Quality	No
Indoor Air Quality	No
Lead-Based Paint (High-Priority Facilities)	No
Lead-Based Paint (Low-Priority Facilities)	Yes
PCBs	Yes
Radon	No
Air Conformity/Air Permits	No
Energy (Utilities such as Natural Gas, Elec., Coal, etc.)	No
Flood Plains	No
Hazardous Waste Management (By Lessee)	Yes
Historic Property (Archeological/Native American, Paleontological)	No
OSHA (Occupational Safety & Health Administration)	No
Outdoor Air Quality	No
Prime/Unique Farmlands	No
Sanitary Sewer Systems (Wastewater)	No
Sensitive Habitat	No
Septic Tanks (Wastewater)	No
Solid Wastes	No
Threatened/Endangered Species	No
Transportation	No
Wetlands	No

TABLE 2

Notice of Hazardous Substances Stored at Parcels T007, T008, T010, T014, and T116

Notice is hereby given that the tables and information attached hereto (Hazardous Material/Substance Storage Table) from the site-specific EBS for Parcels T007, T008, T010, T014, and T116 and made a part of this instrument contain a notice of hazardous substances that are known to have been stored for one year or more at Parcels T007, T008, T010, T014, and T116 at Naval Station Treasure Island, and the dates that such storage took place. 40 C.F.R. Section 373.3(b) requires that the aforementioned statement be prominently displayed.

Parcel	Facility Number	Facility Name	Hazardous Substance(s)	Quantity Stored	Dates Stored
T007	41	Foundry	Materials used at foundry (e.g., metals)	Unknown	1943-1947
T007	41	Paint Shop	Materials used in paint shop (e.g., halogenated and non-halogenated organics)	Unknown	1953-1968
T007	41	Welding Shop	Materials used for welding (e.g., metals, oxygen, acetylene)	Unknown	1981-1987
T007	41	Building 41	Alkaline sodium silicate (steam cleaning compound)	55-gallon drum	Unknown
T008	3	SIMA/Port Services	Battery water (sulfuric acid), several hundred gallons of paint, paint thinner, lubricating oil and hydraulic fluid, and eight four-by-four-by-four-foot pallets of dry potassium superoxide (oxidizer).	Unknown	Unknown - observed in 1994
T008	3	SIMA/Port Services	Approximately 320 gallons of non-halogenated organics, 450 gallons of petroleum and fuel products, 140 gallons of cleaning products, and six gallons of corrosives.	Total - 916 gallons	Unknown - 1993 inventory

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TABLE 2 (CONTINUED)

Notice of Hazardous Substances Stored at Parcels T007, T008, T010, T014, and T016

Parcel	Facility Number	Facility Name	Hazardous Substance(s)	Quantity Stored	Dates Stored
T008	3	SIMA/Port Services	Waste oil (16,850 lbs. per year), solvents and adhesives (3,460 lbs. per year), paint (3,300 lbs. per year), aerosol cans (160 lbs. per year), and miscellaneous hazardous waste (160 lbs. per year).	Approximately 6,000 lbs. at any one time	Unknown -1992 hazardous waste inventory.
T008	3	SIMA/Port Services	Photoprocessing operations reportedly occurred in Building 3 during the 1940s. In addition, maintenance of seaplanes occurred within and around Building 3 during the 1940s, and involved the use of fuels and petroleum products, solvents, paints, etc.	Unknown	Unknown
T008	3	SIMA/Port Services	Tank of "chemical cleaner" was located behind Building 3.	Unknown	Unknown
T008	290	Building 290	Nonhalogenated organics (paint & solvents)	100 gallons	Unknown - observed in 1994
T008	325	Building 325	Pesticides	Unknown	Unknown - early 1980s
T008	325	Building 325	Chemical storage in Building 325 was observed in 1994 to include approximately 50 gallons of gasoline and 275 gallons of waste oil.	Total - 325 gallons	Unknown - observed in 1994
T008	Open Space	Open Space	Fire fighting foam	2,700 gallons in drums	Unknown - observed in 1994

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TABLE 2 (CONTINUED)

Notice of Hazardous Substances Stored at Parcels T007, T008, T010, T014, and T016

Parcel	Facility Number	Facility Name	Hazardous Substance(s)	Quantity Stored	Dates Stored
T010	Open Space	Old Fuel Farm	Six ASTs: two diesel tanks with a 210,000 gallon capacity, four gasoline tanks with a 10,000 gallon capacity.	Total - 460,000 gallons	Early 1940s
T010	82/83	Gasoline /lubricating station	Fuels, petroleum products (e.g., lubricating fluids)	Unknown	Unknown - demo'd prior to 1977
T010	84	Gasoline pump house	Gasoline	Unknown	Unknown - demo'd prior to 1961
T010	87	Incinerator	Unknown	Unknown	Unknown - demo'd by 1971
T014	38, 39, 40	Medical wards	Historically, Building 40 and former Buildings 38 and 39 were used as urological wards, isolation wards, and medical laboratories.	Unknown	Unknown
T116	Open Space	Open Space	Waste oil	7,500 gallons	Unknown - observed in 1994
T116	Open Space	Open Space	Batteries	Unknown	Unknown - reported to be formerly stored outside

TABLE 3

Notice of Hazardous Substances Released at Parcels T007, T008, T010, T014, and T116

Notice is hereby given that the tables and information attached hereto (Hazardous Material/Substance Release Table) from the site specific EBS for Parcels T007, T008, T010, T014, and T116 and made a part of this instrument contain a notice of hazardous substances that have been released at Parcels T007, T008, T010, T014, and T116 on Naval Station Treasure Island, and the dates that such releases took place. 40 C.F.R. Section 373.3(b) requires that the aforementioned statement be prominently displayed.

Parcel	Facility Number	Facility Name	Hazardous Substance(s)	Quantity Released	Dates Released
T016/ T010	Open Space	Avenue N., between Third Street & California Ave.	Fuel Oil Leak from Fuel Lines	Unknown	1984/1985

ORIGINAL

TWENTY FIRST AMENDMENT
TO LEASE AGREEMENT N6247498RP00P99
BETWEEN
THE UNITED STATES OF AMERICA
AND
TREASURE ISLAND DEVELOPMENT AUTHORITY

THIS LEASE AMENDMENT made this 28th day of Dec. 2007, by and between the UNITED STATES OF AMERICA, acting by and through the Department of the Navy, hereinafter called the "Government", and the TREASURE ISLAND DEVELOPMENT AUTHORITY, hereinafter called the "Lessee";

WHEREAS, the parties hereto, as of 4 September 1998, entered into Lease Agreement N6247498RP00P99 under the terms of which the Lessee uses certain real property for space located at the former Naval Station, Treasure Island; and

WHEREAS, the parties agree to amend the terms of the Lease Agreement.

NOW THEREFORE, in consideration of the terms, covenants and conditions hereinafter set forth; the following paragraphs to Lease N6247498RP00P99 are hereby amended to reflect the following changes;

1. Paragraph 2 **TERM**, delete in its entirety and the following paragraph is inserted therefore:

"The term of this Lease shall be for a period of one (1) year beginning on 1 December 2007 and ending on 30 November 2008, unless sooner terminated in accordance with the provisions of Paragraph 14, Termination"

2. Paragraph 17 **INSURANCE**, delete 17.4 in its entirety and the following paragraph is inserted therefore:

"17.4 During the entire period this Lease shall be in effect, Lessee shall require its contractors or sublessees or any contractor performing work at Lessee's or sublessee's request on Leased Premises to carry and maintain the insurance required below:

17.4.1 Comprehensive general liability insurance in an amount to be determined by Lessee and the City of San Francisco Risk Manager based on generally applicable insurance industry standards for the permitted uses; provided, however, that in no case shall the amount of coverage be less than $1 million per occurrence with respect to personal injury or death, and $1 million per occurrence with respect to property damage.

17.4.2 Workman's compensation or similar insurance in form and amounts required by law."

All other terms and conditions of the Lease Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have, on the respective dates set forth above duly executed this amendment to the Lease as of the day and year first above written.

UNITED STATES OF AMERICA

WILLIAM R. CARSILLO
REAL ESTATE CONTRACTING OFFICER
DEPARTMENT OF THE NAVY

Title

TREASURE ISLAND DEVELOPMENT AUTHORITY

Title

APPROVED AS TO FORM:

DENNIS J. HERRERA
CITY ATTORNEY

By: Eileen M. Malley
DEPUTY CITY ATTORNEY

TWENTIETH AMENDMENT
TO LEASE AGREEMENT N6247498RP00P99
BETWEEN
THE UNITED STATES OF AMERICA
AND
TREASURE ISLAND DEVELOPMENT AUTHORITY

THIS LEASE AMENDMENT made this 7 day of MAY 2007, by and between the UNITED STATES OF AMERICA, acting by and through the Department of the Navy, hereinafter called the "Government", and the TREASURE ISLAND DEVELOPMENT AUTHORITY, hereinafter called the "Lessee";

WHEREAS, the parties hereto, as of 4 September 1998, entered into Lease Agreement N6247498RP00P99 under the terms of which the Lessee uses certain real property for space located at the former Naval Station, Treasure Island; and

WHEREAS, the parties agree to amend the terms of the Lease Agreement.

NOW THEREFORE, in consideration of the terms, covenants and conditions hereinafter set forth; the following paragraphs to Lease N6247498RP00P99 are hereby amended to reflect the following changes;

1. Paragraph 1 **LEASED PREMISES**, Delete the following:

"Building 96 (26,083 square feet)"

All other terms and conditions of the Lease Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have, on the respective dates set forth above duly executed this amendment to the Lease as of the day and year first above written.

UNITED STATES OF AMERICA

WILLIAM R. CARSILLO
REAL ESTATE CONTRACTING OFFICER
DEPARTMENT OF THE NAVY

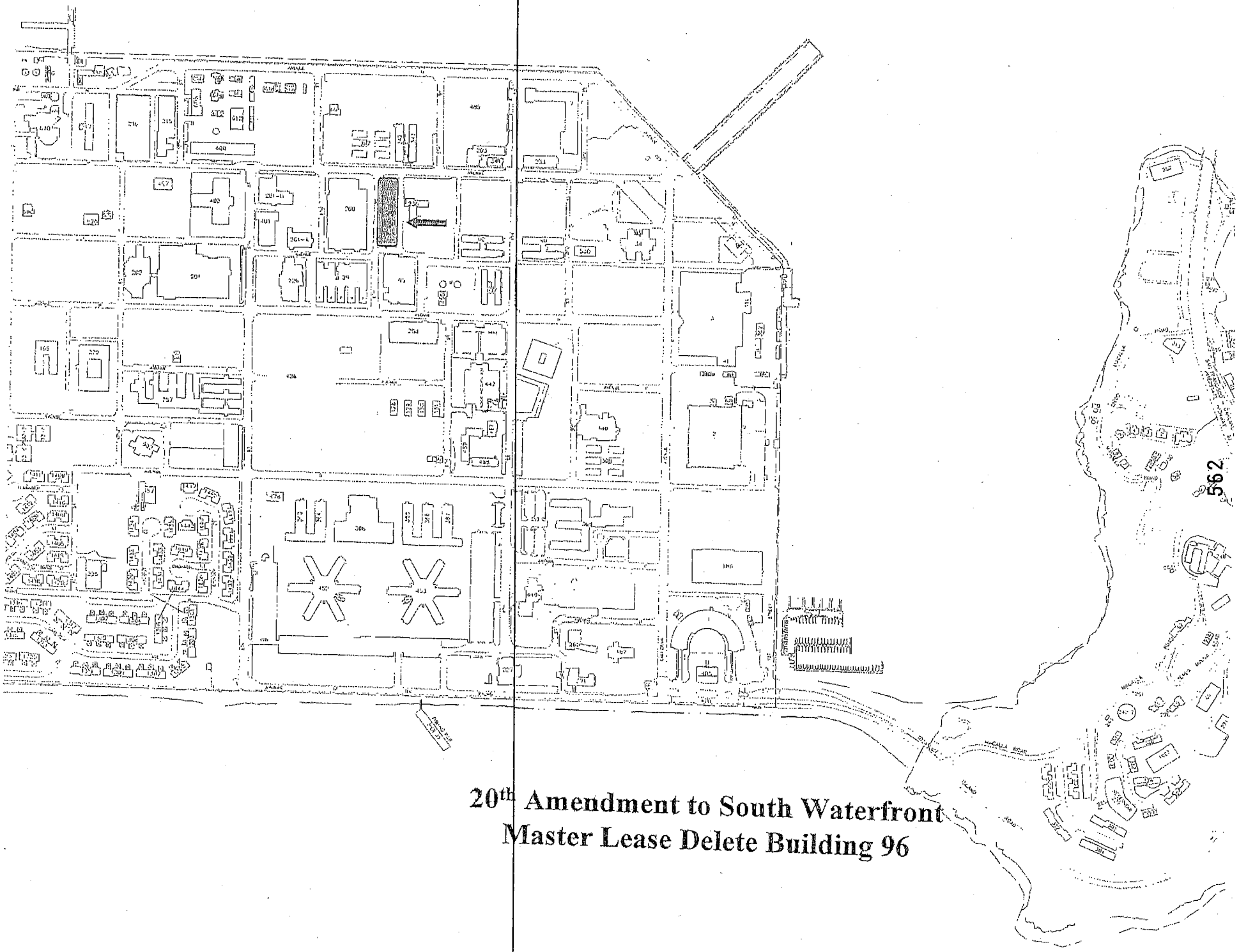
Title

TREASURE ISLAND DEVELOPMENT AUTHORITY

Title

APPROVED AS TO FORM:

CITY ATTORNEY



20th Amendment to South Waterfront Master Lease Delete Building 96

NINETEENTH AMENDMENT
TO LEASE AGREEMENT N6247498RP00P99
BETWEEN
THE UNITED STATES OF AMERICA
AND
TREASURE ISLAND DEVELOPMENT AUTHORITY

THIS LEASE AMENDMENT made this _____day of_____2006, by and between the UNITED STATES OF AMERICA, acting by and through the Department of the Navy, hereinafter called the "Government", and the TREASURE ISLAND DEVELOPMENT AUTHORITY, hereinafter called the "Lessee";

WHEREAS, the parties hereto, as of 4 September 1998, entered into Lease Agreement N6247498RP00P99 under the terms of which the Lessee uses certain real property for space located at the former Naval Station, Treasure Island; and

WHEREAS, the parties agree to amend the terms of the Lease Agreement.

~~NOW THEREFORE, in consideration of the terms, covenants and conditions hereinafter~~ set forth; the following paragraphs to Lease N6247498RP00P99 are hereby amended to reflect the following changes;

1. Paragraph 2 **TERM**, delete in its entirety and the following paragraph is inserted therefore:

> "The term of this Lease shall be for a period of one (1) year beginning on 2 December 2006 and ending on 1 December 2007, unless sooner terminated in accordance with the provisions of Paragraph 14, Termination."

All other terms and conditions of the Lease Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have, on the respective dates set forth above duly executed this amendment to the Lease as of the day and year first above written.

UNITED STATES OF AMERICA

WILLIAM R. CARSILLO
Title REAL ESTATE CONTRACTING OFFICER
DEPARTMENT OF THE NAVY

TREASURE ISLAND DEVELOPMENT AUTHORITY

Title DOTO

APPROVED AS TO FORM:

CITY ATTORNEY

EIGHTEENTH AMENDMENT
TO LEASE AGREEMENT N6247498RP00P99
BETWEEN
THE UNITED STATES OF AMERICA
AND
TREASURE ISLAND DEVELOPMENT AUTHORITY

THIS LEASE AMENDMENT made this _____ day of _____ 2007, by and between the UNITED STATES OF AMERICA, acting by and through the Department of the Navy, hereinafter called the "Government", and the TREASURE ISLAND DEVELOPMENT AUTHORITY, hereinafter called the "Lessee";

WHEREAS, the parties hereto, as of 4 September 1998, entered into Lease Agreement N6247498RP00P99 under the terms of which the Lessee uses certain real property for space located at the former Naval Station, Treasure Island; and

WHEREAS, the parties agree to amend the terms of the Lease Agreement.

NOW THEREFORE, in consideration of the terms, covenants and conditions hereinafter set forth, the following paragraphs to Lease N6247498RP00P99 are hereby amended to reflect the following changes;

1. Paragraph 1 **LEASED PREMISES**, delete the following:

"Use of Building 99 (42,778 square feet)"

2. Paragraph 2 **Term**, delete in its entirety and the following paragraph is inserted therefore:

"The term of this Lease shall be for a period of one (1) year beginning on 2 December 2005 and ending on 1 December 2006, unless sooner terminated in accordance with the provisions of Paragraph 14, Termination."

All other terms and conditions of the Lease Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have, on the respective dates set forth above duly executed this amendment to the Lease as of the day and year first above written.

UNITED STATES OF AMERICA

Title DDIO

TREASURE ISLAND DEVELOPMENT AUTHORITY

Title WILLIAM R. CARSILLO
REAL ESTATE CONTRACTING OFFICER
DEPARTMENT OF THE NAVY

APPROVED AS TO FORM:

CITY ATTORNEY

SEVENTEENTH AMENDMENT
TO LEASE AGREEMENT N6247498RP00P99
BETWEEN
THE UNITED STATES OF AMERICA
AND
TREASURE ISLAND DEVELOPMENT AUTHORITY

THIS LEASE AMENDMENT made this 14th day of December 2005, by and between the UNITED STATES OF AMERICA, acting by and through the Department of the Navy, hereinafter called the "Government", and the TREASURE ISLAND DEVELOPMENT AUTHORITY, hereinafter called the "Lessee";

WHEREAS, the parties hereto, as of 4 September 1998, entered into Lease Agreement N6247498RP00P99 under the terms of which the Lessee uses certain real property for space located at the former Naval Station, Treasure Island; and

WHEREAS, the parties agree to amend the terms of the Lease Agreement.

NOW THEREFORE, in consideration of the terms, covenants and conditions hereinafter set forth; the following paragraphs to Lease N6247498RP00P99 are hereby amended to reflect the following changes;

1. Paragraph 1 **LEASED PREMISES**, Add the following:

   Use of the vacant lot at the intersection of California Avenue and Avenue H, as shown on Lease Exhibit A-10, attached hereto.

All other terms and conditions of the Lease Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have, on the respective dates set forth above duly executed this amendment to the Lease as of the day and year first above written.

UNITED STATES OF AMERICA

WILLIAM R. CARSILLO
REAL ESTATE CONTRACTING OFFICER
DEPARTMENT OF THE NAVY

Title

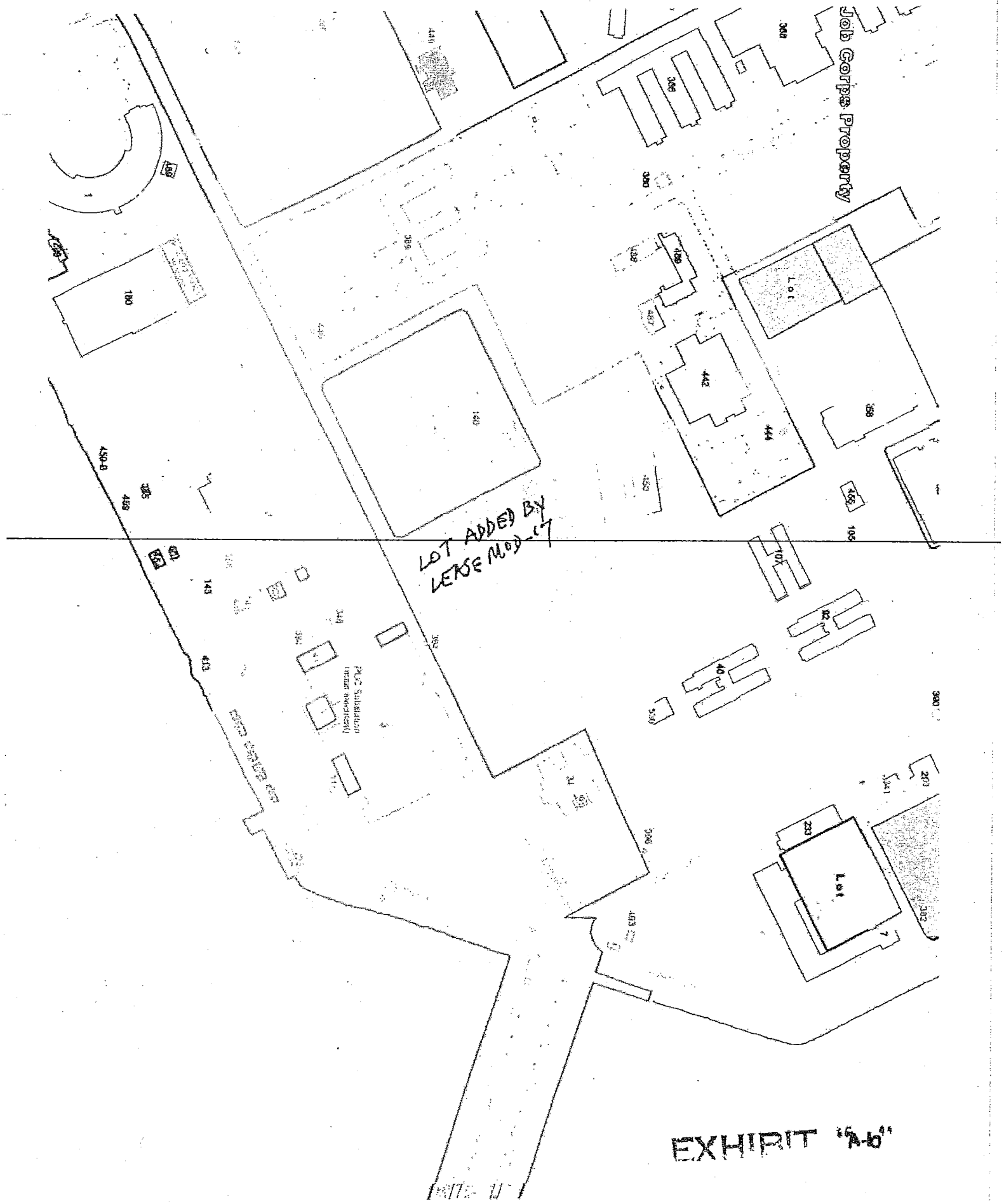
TREASURE ISLAND DEVELOPMENT AUTHORITY

Joanne Sakai

Title Deputy Executive Director, SFRA, for TIDA

APPROVED AS TO FORM:

CITY ATTORNEY


Job Corps Property
LOT ADDED BY
LEASE MOD-17
EXHIBIT "A-6"

SIXTEENTH AMENDMENT
TO LEASE AGREEMENT N6247498RP00P99
BETWEEN
THE UNITED STATES OF AMERICA
AND
TREASURE ISLAND DEVELOPMENT AUTHORITY

THIS LEASE AMENDMENT made this 14th day of December 2005, by and between the UNITED STATES OF AMERICA, acting by and through the Department of the Navy, hereinafter called the "Government", and the TREASURE ISLAND DEVELOPMENT AUTHORITY, hereinafter called the "Lessee";

WHEREAS, the parties hereto, as of 4 September 1998, entered into Lease Agreement N6247498RP00P99 under the terms of which the Lessee uses certain real property for space located at the former Naval Station, Treasure Island; and

WHEREAS, the parties agree to amend the terms of the Lease Agreement.

NOW THEREFORE, in consideration of the terms, covenants and conditions hereinafter set forth; the following paragraphs to Lease N6247498RP00P99 are hereby amended to reflect the following changes;

1. Paragraph 34 **SPECIAL PROVISIONS**, Add the following:

   Lessee is hereby authorized to demolish and dispose of the small structure on the Westerly side of Treasure Island Road immediately South of the Main Gate as shown on Lease Exhibit A-9, attached hereto.

All other terms and conditions of the Lease Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have, on the respective dates set forth above duly executed this amendment to the Lease as of the day and year first above written.

UNITED STATES OF AMERICA

WILLIAM R. CARSILLO
REAL ESTATE CONTRACTING OFFICER
DEPARTMENT OF THE NAVY

Title

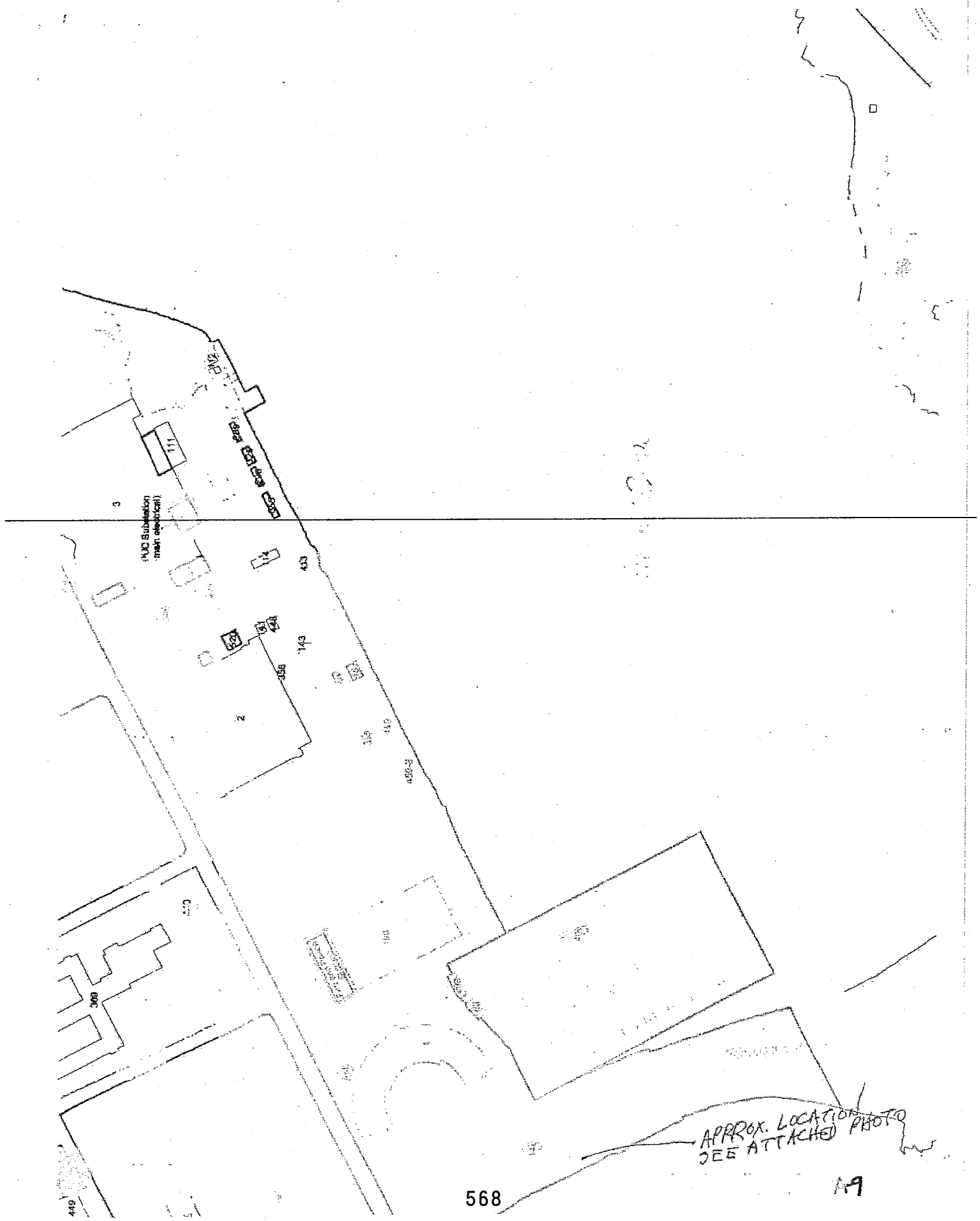
TREASURE ISLAND DEVELOPMENT AUTHORITY

Joanne Sakai

Title Deputy Executive Director, SFRA, for TIDA

APPROVED AS TO FORM:

CITY ATTORNEY


PUC Substation
main electrical)
APPROX. LOCATION
SEE ATTACHED PHOTO

A-9

GIFTS

FIFTEENTH AMENDMENT
TO LEASE AGREEMENT N6247498RP00P99
BETWEEN
THE UNITED STATES OFAMERICA
AND
TREASURE ISLAND DEVELOPMENT AUTHORITY

THIS LEASE AMENDMENT made this _____day of _____2005 by and between the UNITED STATES OF AMERICA, acting by and through the Department of Navy, hereinafter called the "Government", and the TREASURE ISLAND DEVELOPMENT AUTHORITY, hereinafter called the "LESSEE";

WHEREAS, parties hereto, as of 4 September 1998 entered into Lease Agreement N624729800PRP99 under the terms, of which, the Lessee uses certain real property for space located at the former Naval Station, Treasure Island; and

WHEREAS, the parties now agree to amend the terms of the Lease Agreement.

NOW THEREFORE, in consideration of the terms, covenants and conditions hereinafter set forth; the following paragraph of Lease Agreement N624729800PRP99 is hereby amended to incorporate the following change:

1. Paragraph 1. LEASED PREMISES, Add the following:

   Use of Building number 201 as shown on Lease Exhibit A-7, attached hereto, and Building number 221 as shown on Lease Exhibit A-8, attached hereto.

All other terms and conditions of the Lease Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have duly executed this amendment to Lease Agreement N624729800PRP99 as of the day and year first above written

UNITED STATES OF AMERICA

WILLIAM R. CARSILLO
Title REAL ESTATE CONTRACTING OFFICER
DEPARTMENT OF THE NAVY

TREASURE ISLAND DEVELOPMENT AUTHORITY

Title

APPROVED AS TO FORM

City Attorney

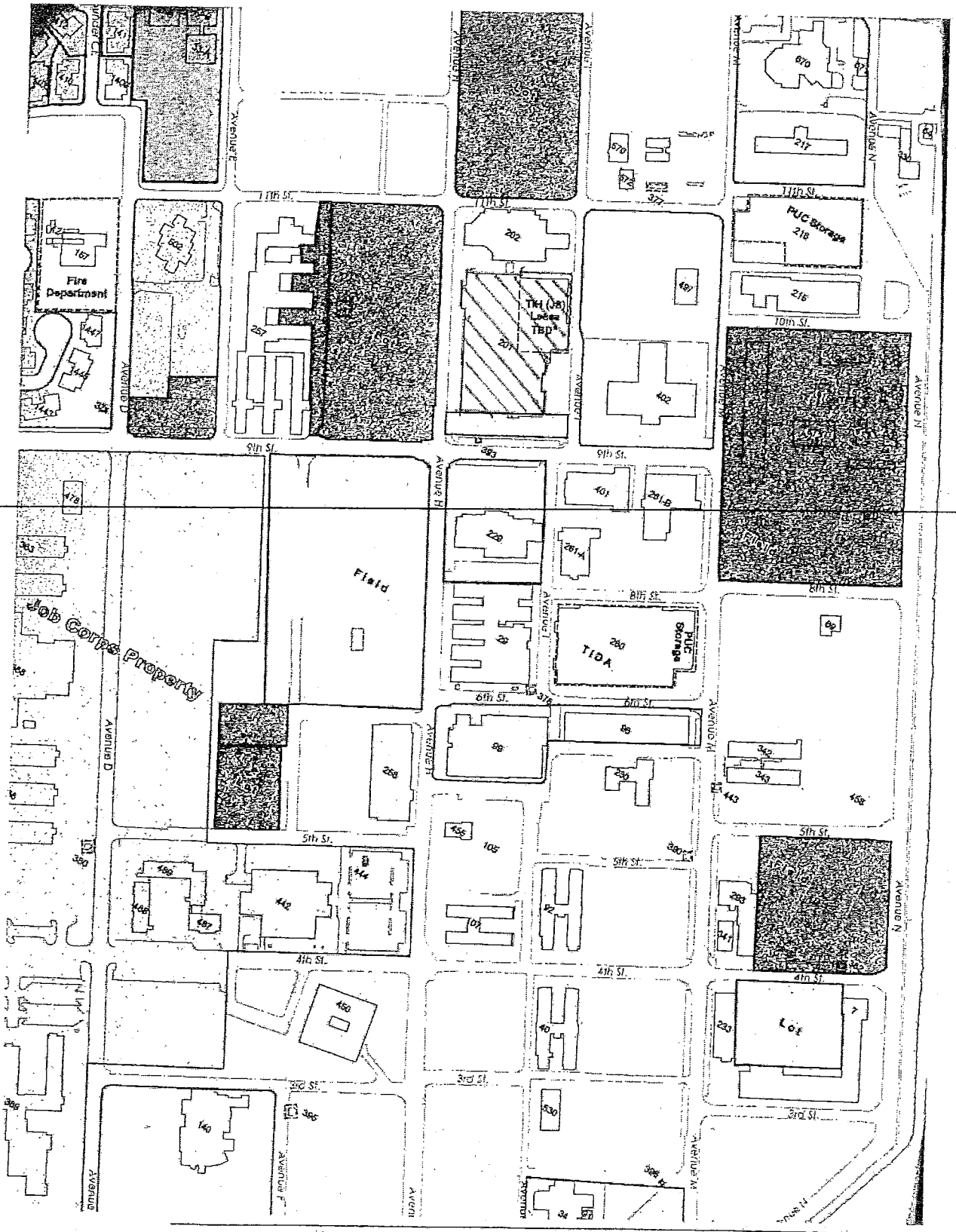


EXHIBIT A-7
NAVY LEASE N6247498RP00P99 – AMENDMENT 15
Building 201 – Treasure Island

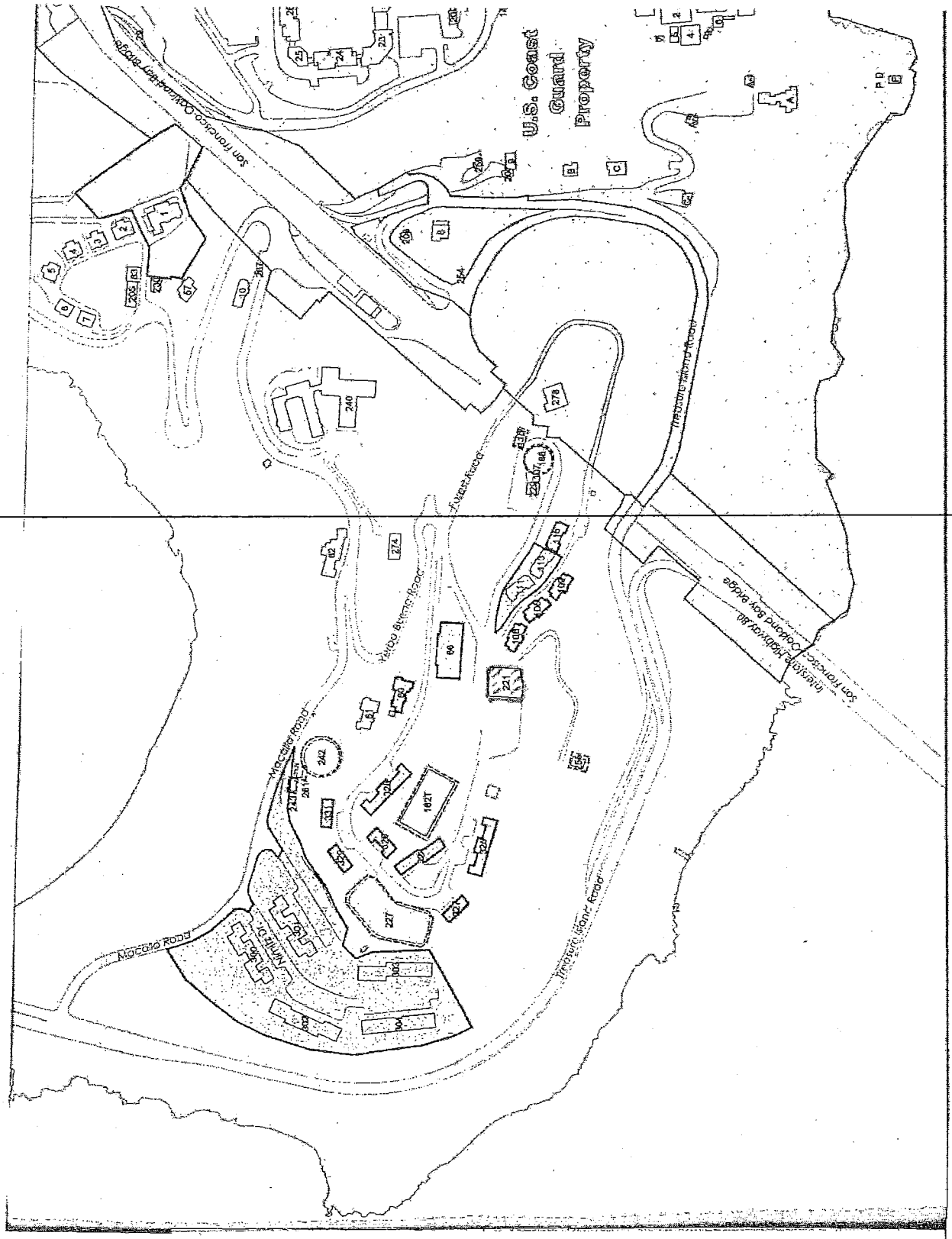


EXHIBIT A-8
NAVY LEASE N6247498RP00P99– AMENDMENT 15
Building 221 – Yerba Buena Island

FOURTEENTH AMENDMENT
TO LEASE AGREEMENT N6247498RP00P99
BETWEEN
THE UNITED STATES OF AMERICA
AND
TREASURE ISLAND DEVELOPMENT AUTHORITY

THIS LEASE AMENDMENT made this _____day of_____2005, by and between the UNITED STATES OF AMERICA, acting by and through the Department of the Navy, hereinafter called the "Government", and the TREASURE ISLAND DEVELOPMENT AUTHORITY, hereinafter called the "Lessee";

WHEREAS, the parties hereto, as of 4 September 1998, entered into Lease Agreement N6247498RP00P99 under the terms of which the Lessee uses certain real property for space located at the former Naval Station, Treasure Island; and

WHEREAS, the parties agree to amend the terms of the Lease Agreement.

NOW THEREFORE, in consideration of the terms, covenants and conditions hereinafter set forth; the following paragraphs to Lease N6247498RP00P99 are hereby amended to reflect the following changes;

Paragraph 1. **Leased Premises**, add the following:

"Use of lot bounded by 3rd and 4th Streets and I and H Avenues excluding that portion of Restoration Site 33, as shown on Exhibit "A-5", attached hereto."

Paragraph 4. **Use of Leased Premises**, add Paragraph 4.3

"The Lessee may use for athletic purposes the lot as shown on Exhibit "A-5", attached hereto."

Paragraph 19. **Submission of Notices**, delete

"Commanding Officer (Attn: Code 624)
Engineering Field Activity – West
Naval Facilities Engineering Command
900 Commodore Drive
San Bruno, CA 94066-5000"

and insert the following:

"Base Realignment and Closure
PMO West
1230 Columbia Street, Suite 1100
San Diego, CA 92101-8571"

All other terms and conditions of the Lease Agreement shall remain in full force and effect.

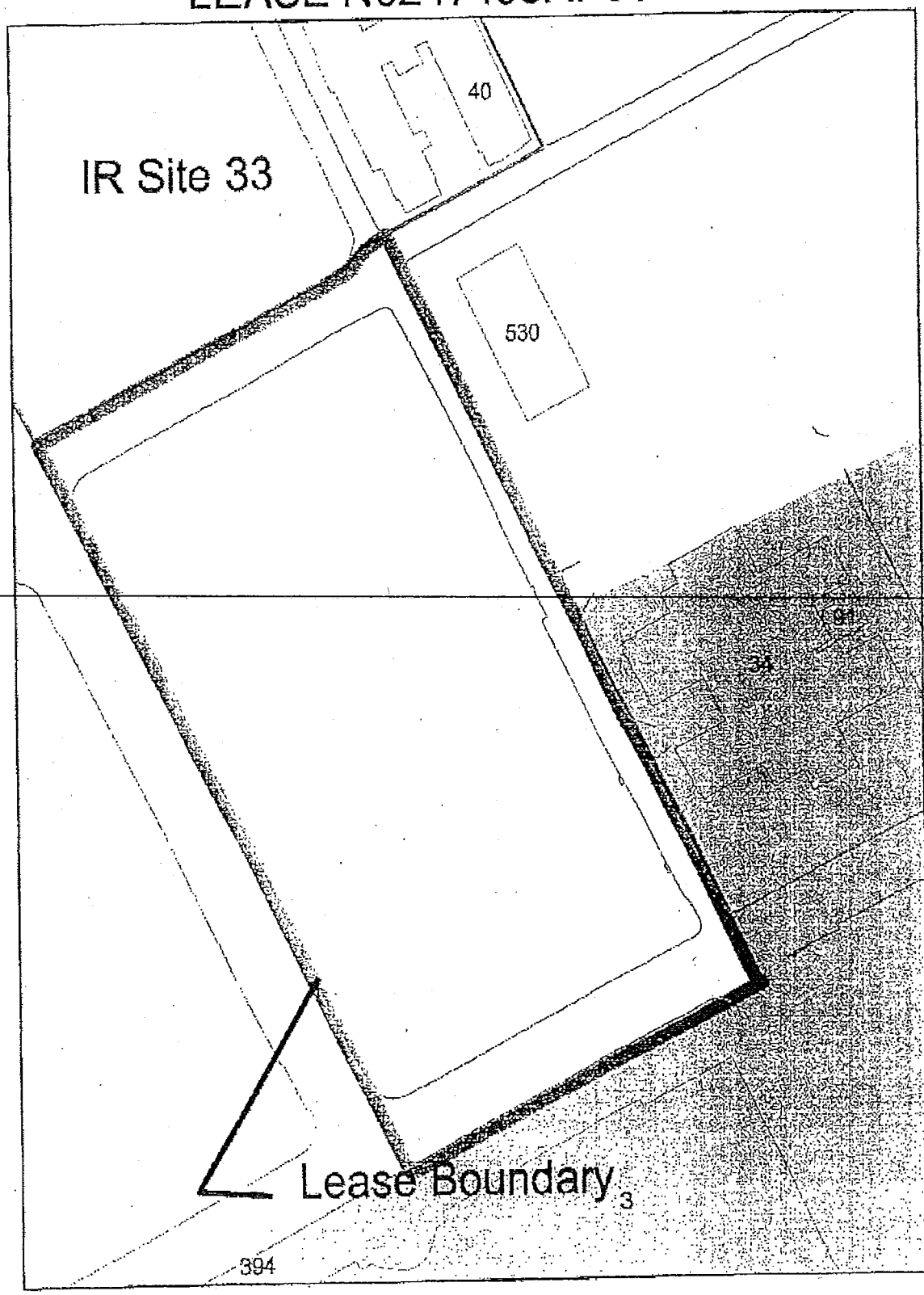
IN WITNESS WHEREOF, the parties hereto have, on the respective dates set forth above duly executed this amendment to the Lease as of the day and year first above written.

UNITED STATES OF AMERICA	TREASURE ISLAND DEVELOPMENT AUTHORITY
_____	_____
Title_____	Title_____

APPROVED AS TO FORM:

_____
CITY ATTORNEY

LEASE N6247498RP00P99



Athletic Field Lease Area 3.73 ac Exhibit A-5

THIRTEENTH AMENDMENT
TO LEASE AGREEMENT N6247498RP00P99
BETWEEN
THE UNITED STATES OF AMERICA
AND
TREASURE ISLAND DEVELOPMENT AUTHORITY

THIS LEASE AMENDMENT made this 30th day of March 2005, by and between the UNITED STATES OF AMERICA, acting by and through the Department of the Navy, hereinafter called the "Government", and the TREASURE ISLAND DEVELOPMENT AUTHORITY, hereinafter called the "Lessee";

WHEREAS, the parties hereto, as of 4 September 1998, entered into Lease Agreement N6247498RP00P99 under the terms of which the Lessee uses certain real property for space located at the former Naval Station, Treasure Island; and

WHEREAS, the parties agree to amend the terms of the Lease Agreement.

NOW THEREFORE, in consideration of the terms, covenants and conditions hereinafter set forth; the following paragraphs to Lease N6247498RP00P99 are hereby amended to reflect the following changes;

1. Paragraph 2 **Term**, delete in its entirety and the following paragraph is inserted therefore:

"The term of this Lease shall be for a period of one (1) year beginning on 2 December 2004 and ending on 1 December 2005, unless sooner terminated in accordance with the provisions of Paragraph 14, Termination."

2. The definition of "Common Area Maintenance" under Paragraph 3.1.3 is hereby amended to read as follows:

"Common Area Maintenance" for the purpose of the Common Area Maintenance Charge shall include, but are not limited to: fire fighting; general perimeter security (this does not include security of those portions of Leased Premises which are (1) used or occupied by Lessee, (2) subleased by Lessee to another); causeway operations, maintenance and repair; maintenance and repair of roads, streets, sidewalks, curbs and gutters; operation, maintenance and repair of street lighting, street signals and signage; operation, maintenance and repair of storm sewer; pest control; maintenance and repair of facilities; grounds maintenance; operation, maintenance and repair of sanitary lift station, and permit compliance, and general administration of these services. All Common Area Maintenance shall be consistent with the Caretaker Services described in the Cooperative Agreement and its appendices as the same have been amended from time to time. Nothing in this Lease commits Government to continue to provide Common Area Maintenance referenced herein.

3. Paragraph 3 **Consideration**, Delete Paragraph 3.3 in its entirety and add Paragraphs 3.3 and 3.4 as follows:

3.3 Common Area Maintenance Charges will not apply as of October 1, 2000 unless reinstituted as follows:

On or after December 1, 2004, the Government, at its option, may unilaterally reinstitute the Common Area Maintenance Charge in accordance with Paragraph 3.1 above in the event that Government provides Common Area Maintenance (as defined in Paragraph 3.1.3) or incurs Common Area Maintenance costs. The Common Area Maintenance Charge may be reinstituted on a continuing basis depending on the circumstances. The Government shall provide Lessee with copies of receipts, invoices, or other materials reasonably evidencing the Government's actual and reasonable cost of Common Area Maintenance. Except in the case of emergencies, the Government shall give Lessee 30-days prior written notice of Government's intention to perform Common Area Maintenance and shall provide Lessee a reasonable opportunity to perform such services at its own cost.

3.4 Common Area Maintenance Charges will be paid in accordance with Sections 3.1.2 and 3.1.3 above until the Government has been fully reimbursed for its actual cost of Common Area Maintenance. The parties may agree to the payment of such Common Area Maintenance Charges on a one-time or other periodic basis. In the event that the Lessee disputes the amount of or the basis for any such charge, Lessee shall so notify the Government in writing of such dispute and the basis therefor no later than 60 calendar days from the date of demand. In the event of a dispute, the Lessee and Government shall resolve their dispute in accordance with the provisions of Paragraph 23 of this lease.

All other terms and conditions of the Lease Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have, on the respective dates set forth above duly executed this amendment to the Lease as of the day and year first above written.

UNITED STATES OF AMERICA

WILLIAM R. CARSILLO
REAL ESTATE CONTRACTING OFFICER
DEPARTMENT OF THE NAVY

Title

TREASURE ISLAND DEVELOPMENT AUTHORITY

Title Exec Dir.

APPROVED AS TO FORM:

CITY ATTORNEY

TWELFTH AMENDMENT
TO LEASE AGREEMENT N6247498RP00B05
BETWEEN
THE UNITED STATES OF AMERICA
AND
TREASURE ISLAND DEVELOPMENT AUTHORITY

THIS LEASE AMENDMENT made this 14th day of December 2005, by and between the UNITED STATES OF AMERICA, acting by and through the Department of the Navy, hereinafter called the "Government", and the TREASURE ISLAND DEVELOPMENT AUTHORITY, hereinafter called the "Lessee";

WHEREAS, the parties hereto, as of 17 March 1999, entered into Lease Agreement N6247499RP00B05 under the terms of which the Lessee uses certain real property for space located at the former Naval Station, Treasure Island; and

WHEREAS, the parties agree to amend the terms of the Lease Agreement.

NOW THEREFORE, in consideration of the terms, covenants and conditions hereinafter set forth; the following paragraphs to Lease N6247498RP00P99 are hereby amended to reflect the following changes;

1. Paragraph 1 **LEASED PREMISES**, Add the following:

   Use of the vacant lot on 13th Street bordered by Avenue E and Avenue H, as shown on Lease Exhibit A-7, attached hereto.

All other terms and conditions of the Lease Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have, on the respective dates set forth above duly executed this amendment to the Lease as of the day and year first above written.

UNITED STATES OF AMERICA

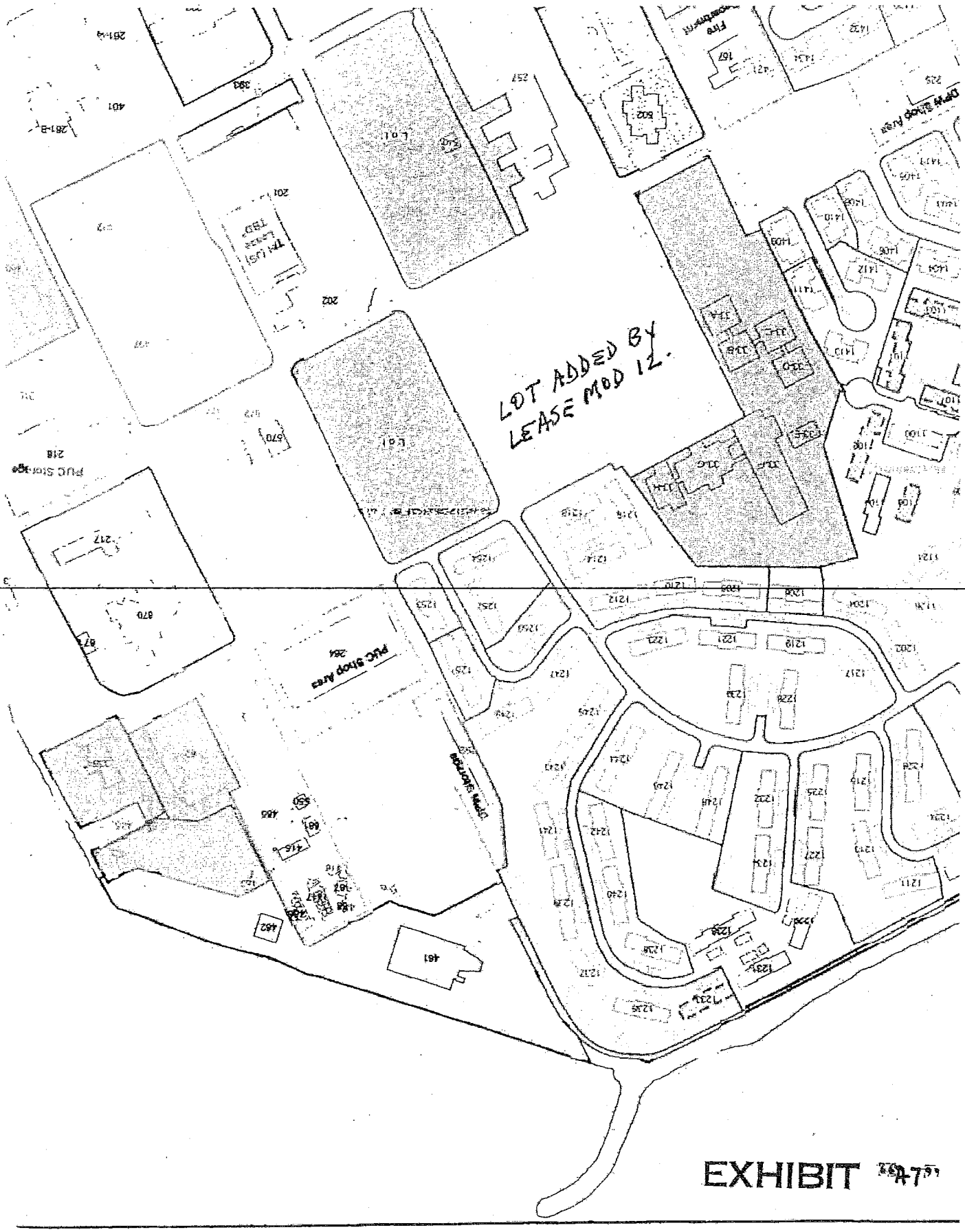
WILLIAM R. CARSILLO
Title REAL ESTATE CONTRACTING OFFICER
DEPARTMENT OF THE NAVY

TREASURE ISLAND DEVELOPMENT AUTHORITY

Deputy Executive Director, SFRA, for TIDA

APPROVED AS TO FORM:

CITY ATTORNEY


LOT ADDED BY
LEASE MOD 12.
EXHIBIT A-7

ELEVENTH AMENDMENT
TO LEASE AGREEMENT N6247498RP00P99
BETWEEN
THE UNITED STATES OF AMERICA
AND
TREASURE ISLAND DEVELOPMENT AUTHORITY

THIS LEASE AMENDMENT made this 27 day of October 2004, by and between the UNITED STATES OF AMERICA, acting by and through the Department of the Navy, hereinafter called the "Government", and the TREASURE ISLAND DEVELOPMENT AUTHORITY, hereinafter called the "Lessee";

WHEREAS, the parties hereto, as of 4 Septemnber 1998, entered into Lease Agreement N6247498RP00P99 under the terms of which the Lessee uses certain real property for space located at the former Naval Station, Treasure Island; and

WHEREAS, the parties agree to amend the terms of the Lease Agreement.

NOW THEREFORE, in consideration of the terms, covenants and conditions hereinafter set forth; the following paragraph to Lease N6247498RP00P99 is hereby amended to reflect the following change;

Paragraph 2 **Term**, delete in its entirety and the following paragraph is inserted therefor:

"The term of this Lease shall be for a period of sixty (60) days beginning on 4 September 2004 and ending on 2 November 2004, unless sooner terminated in accordance with the provision of Paragraph 14, Termination."

All other terms and conditions of the Lease Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have, on the respective dates set forth above duly executed this amendment to the Lease as of the day and year first above written.

UNITED STATES OF AMERICA

Title WILLIAM R. CARSILLO
REAL ESTATE CONTRACTING OFFICER
DEPARTMENT OF THE NAVY

APPROVED AS TO FORM:

CITY ATTORNEY

TREASURE ISLAND DEVELOPMENT AUTHORITY

Title

SHOULD BE TEN

10th 7 ?

~~NINTH~~ AMENDMENT
TO LEASE AGREEMENT N6247498RP00P99
BETWEEN
THE UNITED STATES OF AMERICA
AND
TREASURE ISLAND DEVELOPMENT AUTHORITY

?

THIS LEASE AMENDMENT made this _____day of_____2003, by and between the UNITED STATES OF AMERICA, acting by and through the Department of the Navy, hereinafter called the "Government", and the TREASURE ISLAND DEVELOPMENT AUTHORITY, hereinafter called the "Lessee";

WHEREAS, the parties hereto, as of 4 September 1998, entered into Lease Agreement N6247498RP00P99 under the terms of which the Lessee uses certain real property for space located at the former Naval Station, Treasure Island; and

WHEREAS, the parties agree to amend the terms of the Lease Agreement.

NOW THEREFORE, in consideration of the terms, covenants and conditions hereinafter set forth: Lease Agreement N6247498RP00P99 is hereby amended to reflect the following;

~~Paragraph 2. Term, delete in its entirety and the following paragraph is inserted therefore:~~

"The term of this Lease shall be for a period of six (6) years beginning on 4 September 1998 and ending on 3 September 2004, unless sooner terminated in accordance with the provisions of Paragraph 14, Termination."

All other terms and conditions of the Lease Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have, on the respective dates set forth above duly executed this amendment to the Lease as of the day and year first above written.

UNITED STATES OF AMERICA
AUTHORITY

WILLIAM R. CARSILLO
REAL ESTATE CONTRACTING OFFICER
DEPARTMENT OF THE NAVY

Title

TREASURE ISLAND DEVELOPMENT

Title

APPROVED AS TO FORM:

CITY ATTORNEY

ANNEMARIE CONROY
Executive Director
Treasure Island Development
Authority Project

NINTH AMENDMENT
TO LEASE AGREEMENT N6247498RP00P99
BETWEEN
THE UNITED STATES OF AMERICA
AND
TREASURE ISLAND DEVELOPMENT AUTHORITY

THIS LEASE AMENDMENT made this 14th day of May 2003, by and between the UNITED STATES OF AMERICA, acting by and through the Department of the Navy, hereinafter called the "Government", and the TREASURE ISLAND DEVELOPMENT AUTHORITY, hereinafter called the "Lessee";

WHEREAS, the parties hereto, as of 4 September 1998, entered into Lease Agreement N6247498RP00P99 under the terms of which the Lessee uses certain real property for space located at the former Naval Station, Treasure Island; and

WHEREAS, the parties agree to amend the terms of the Lease Agreement.

NOW THEREFORE, in consideration of the terms, covenants and conditions hereinafter set forth; the following paragraph to Lease N6247498RP00P99 is hereby amended to reflect the following change;

Paragraph 1. Leased Premises, add the following:

Use of area adjacent to Pier 1 as shown on exhibit A-5.

All other terms and conditions of the Lease Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have, on the respective dates set forth above duly executed this amendment to the Lease as of the day and year first above written.

UNITED STATES OF AMERICA

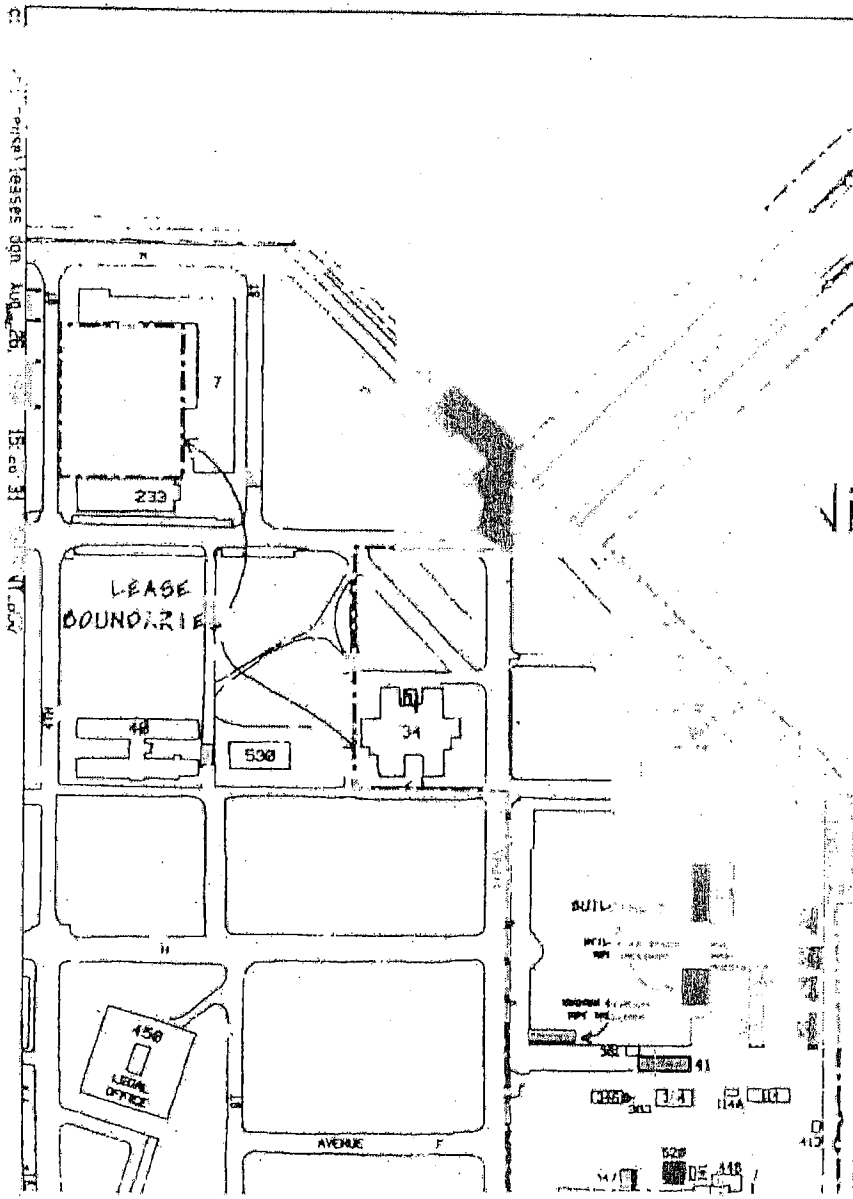
Title Real Estate Contracting Officer

APPROVED AS TO FORM:

CITY ATTORNEY

TREASURE ISLAND DEVELOPMENT AUTHORITY

Title Executive Director
Treasure Island Development Authority Project



Ninth Amendment

NAVAL STATION
TREASURE ISLAND

KEY TO MAP

LEASE AREA BOUNDARIES (Additional Space)

SPACES EXCLUDED FROM LEASE

SOUTH WATERFRONT
LEASE

Exhibit A-5

EIGHTH AMENDMENT
TO LEASE AGREEMENT N6247498RP00P99
BETWEEN
THE UNITED STATES OF AMERICA
AND
TREASURE ISLAND DEVELOPMENT AUTHORITY

THIS LEASE AMENDMENT made this 1st day of October 2002, by and between the UNITED STATES OF AMERICA, acting by and through the Department of the Navy, hereinafter called the "Government", and the TREASURE ISLAND DEVELOPMENT AUTHORITY, hereinafter called the "Lessee";

WHEREAS, the parties hereto, as of 4 September 1998, entered into Lease Agreement N6247498RP00P99 under the terms of which the Lessee uses certain real property for space located at the former Naval Station, Treasure Island; and

WHEREAS, the parties agree to amend the terms of the Lease Agreement.

NOW THEREFORE, in consideration of the terms, covenants and conditions hereinafter set forth; the following paragraph to Lease N6247498RP00P99 is hereby amended to reflect the following change;

Paragraph 2. **Term**, delete in its entirety and the following paragraph is inserted therefore:

"The term of this Lease shall be for a period of five (5) years beginning on 4 September 1998 and ending on 3 September 2003, unless sooner terminated in accordance with the provisions of Paragraph 14, Termination."

All other terms and conditions of the Lease Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have, on the respective dates set forth above duly executed this amendment to the Lease as of the day and year first above written.

UNITED STATES OF AMERICA

Title

TREASURE ISLAND DEVELOPMENT AUTHORITY

Title

APPROVED AS TO FORM:

CITY ATTORNEY

7th

AMENDMENT
TO MULTIPLE LEASE AGREEMENTS
BETWEEN
THE UNITED STATES OF AMERICA
AND
TREASURE ISLAND DEVELOPMENT AUTHORITY

THIS LEASE AMENDMENT made this 1st day of May 2002, by and between the UNITED STATES OF AMERICA, acting by and through the Department of the Navy, hereinafter called the "Government", and the TREASURE ISLAND DEVELOPMENT AUTHORITY, hereinafter called the "Lessee";

WHEREAS, the parties hereto, on respective dates, entered into Lease Agreements, as shown in Enclosure (1), under the terms of which the Lessee uses certain real property for space located at the former Naval Station, Treasure Island; and

WHEREAS, the parties agree to amend the terms of the Lease Agreements.

NOW THEREFORE, in consideration of the terms, covenants and conditions hereinafter set forth; the following language shall be inserted into Paragraph (3) Consideration of all leases listed in Enclosure (1):

Paragraph 3. CONSIDERATION add the following:

3.3 Common Service Charges will not apply as of October 1, 2000.

All other terms and conditions of the Lease Agreements shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have, on the respective dates set forth above duly executed this amendment to the Leases as of the day and year first above written.

UNITED STATES OF AMERICA

Cindy Wilcox

Title Real Estate Contracting Officer

APPROVED AS TO FORM:

CITY ATTORNEY

TREASURE ISLAND DEVELOPMENT AUTHORITY

Title

Enclosure (1) To Multiple Lease Amendment For Common Service Charges

Lease Number	Description	Amendment Number
N6247499RP00B19	TIHDI	Amendment No. 5
N6247498RP00P22	FIRE FIGHTING	Amendment No. 3
N6247400RP41B03	CEL SITE	Amendment No. 2
N6247499RP00B08	POLICE ACADEMY	Amendment No. 1
N6247499RP00B28	DELANCEY STREET	Amendment No. 1
N6247498RP00Q01	MARINA	Amendment No. 3
N6247498RP00P99	SOUTH WATERFRONT	Amendment No. 7
N6247499RP42P12	LAND & STRUCTURES	Amendment No. 10
N6247498RP00Q03	EVENT VENUES	Amendment No. 7
N6247499RP00B05	JOHN STEWART	Amendment No. 11
N6247400RP00B20	QUARTERS 230	Amendment No. 1

SIXTH AMENDMENT
TO LEASE AGREEMENT N6247498RP00P99
BETWEEN
THE UNITED STATES OF AMERICA
AND
TREASURE ISLAND DEVELOPMENT AUTHORITY

THIS LEASE AMENDMENT made this 10 day of October 2000, by and between the UNITED STATES OF AMERICA, acting by and through the Department of the Navy, hereinafter called the "Government", and the TREASURE ISLAND DEVELOPMENT AUTHORITY, hereinafter called the "Lessee";

WHEREAS, the parties hereto, as of 4 September 1998, entered into Lease Agreement N6247498RP00P99 under the terms of which the Lessee uses certain real property for space located at the former Naval Station, Treasure Island; and

WHEREAS, the parties agree to amend the terms of the Lease Agreement.

NOW THEREFORE, in consideration of the terms, covenants and conditions hereinafter set forth; the following paragraph to Lease N6247498RP00P99 is hereby amended to reflect the following change;

Paragraph 2. **Term**, delete in its entirety and the following paragraph is inserted therefore:

"The term of this Lease shall be for a period of four (4) years beginning on 4 September 1998 and ending on 3 September 2002, unless sooner terminated in accordance with the provisions of Paragraph 14, Termination."

All other terms and conditions of the Lease Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have, on the respective dates set forth above duly executed this amendment to the Lease as of the day and year first above written.

UNITED STATES OF AMERICA

_____

Title_____

APPROVED AS TO FORM:

_____
CITY ATTORNEY

TREASURE ISLAND DEVELOPMENT AUTHORITY

_____

Title ANNEMARIE CONROY Executive Director Treasure Island Development Authority

FIFTH AMENDMENT
TO LEASE AGREEMENT N6247498RP00P99
BETWEEN
THE UNITED STATES OF AMERICA
AND
TREASURE ISLAND DEVELOPMENT AUTHORITY

THIS LEASE AMENDMENT made this 1st day of June 1999, by and between the UNITED STATES OF AMERICA, acting by and through the Department of the Navy, hereinafter called the "Government", and the TREASURE ISLAND DEVELOPMENT AUTHORITY, hereinafter called the "Lessee";

WHEREAS, the parties hereto, as of 4 September 1998, entered into Lease Agreement N6247498RP00P99 under the terms of which the Lessee uses certain real property for space located at the former Naval Station, Treasure Island; and

WHEREAS, the parties agree to amend the terms of the Lease Agreement.

NOW THEREFORE, in consideration of the terms, covenants and conditions hereinafter set forth, ~~the following paragraph to Lease N6247498RP00P99 is hereby amended to reflect the following~~ change;

Paragraph 1. Leased Premises, delete the following ~~in its entirety~~:

Use of 10,000 square feet in Building 99 as shown on Exhibit "A-2".

Paragraph 1. Leased Premises, add the following:

Use of Buildings 96 (26,083 square feet) and 99 (42,778) as shown on Exhibit "A-4", attached hereto and made a part hereof.

All other terms and conditions of the Lease Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have, on the respective dates set forth above duly executed this amendment to the Lease as of the day and year first above written.

UNITED STATES OF AMERICA

Beverly Freitas

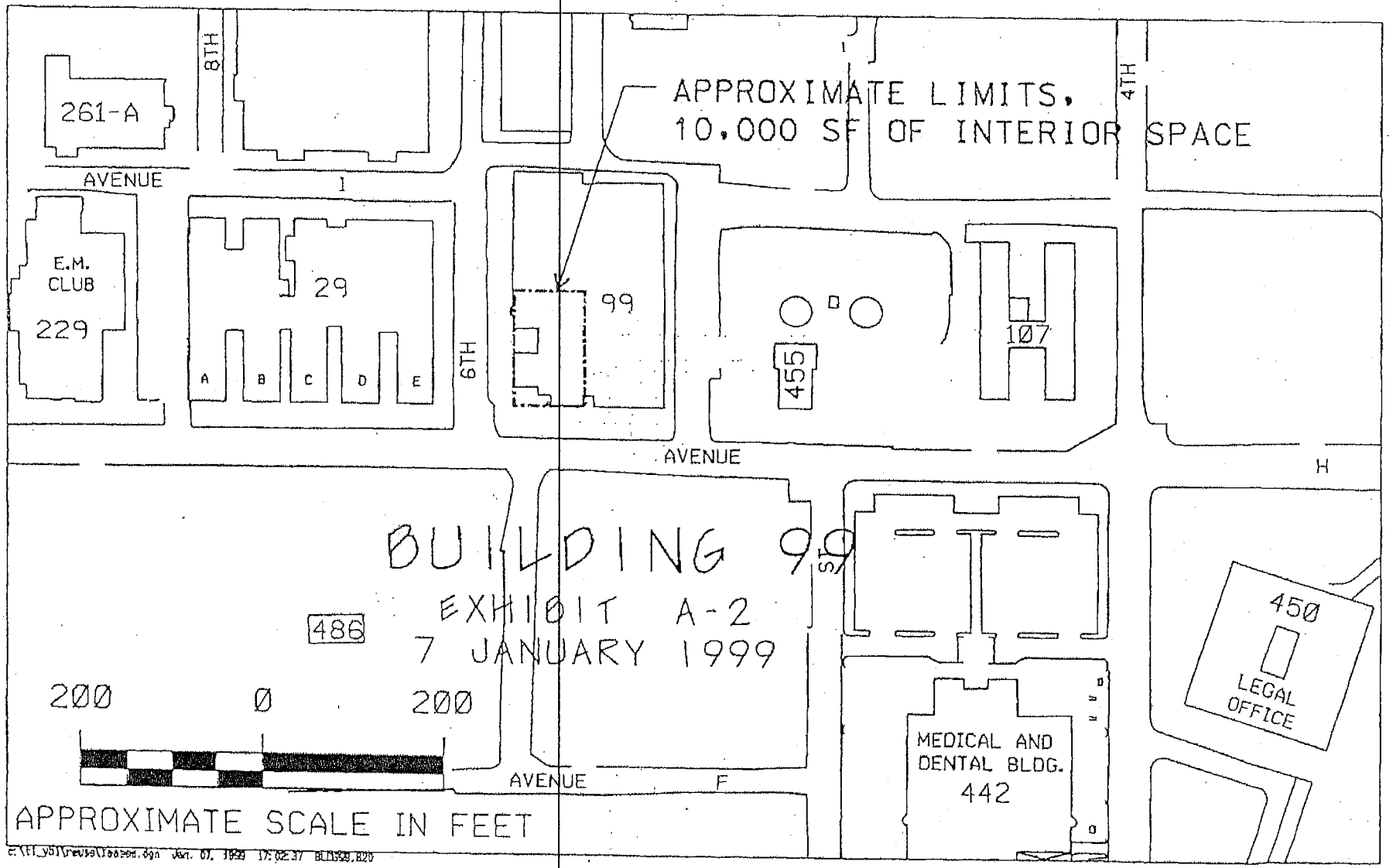
Title BEVERLY FREITAS
~~BRAC REAL ESTATE~~
REAL ESTATE CONTRACTING OFFICER

APPROVED AS TO FORM:

CITY ATTORNEY

CITY AND COUNTY OF SAN FRANCISCO

Title _____


APPROXIMATE LIMITS,
10,000 SF OF INTERIOR SPACE
261-A
8TH
4TH
AVENUE
I
E.M.
CLUB
229
29
A
B
C
D
E
6TH
99
455
107
AVENUE
H
BUILDING 99
EXHIBIT A-2
7 JANUARY 1999
486
200
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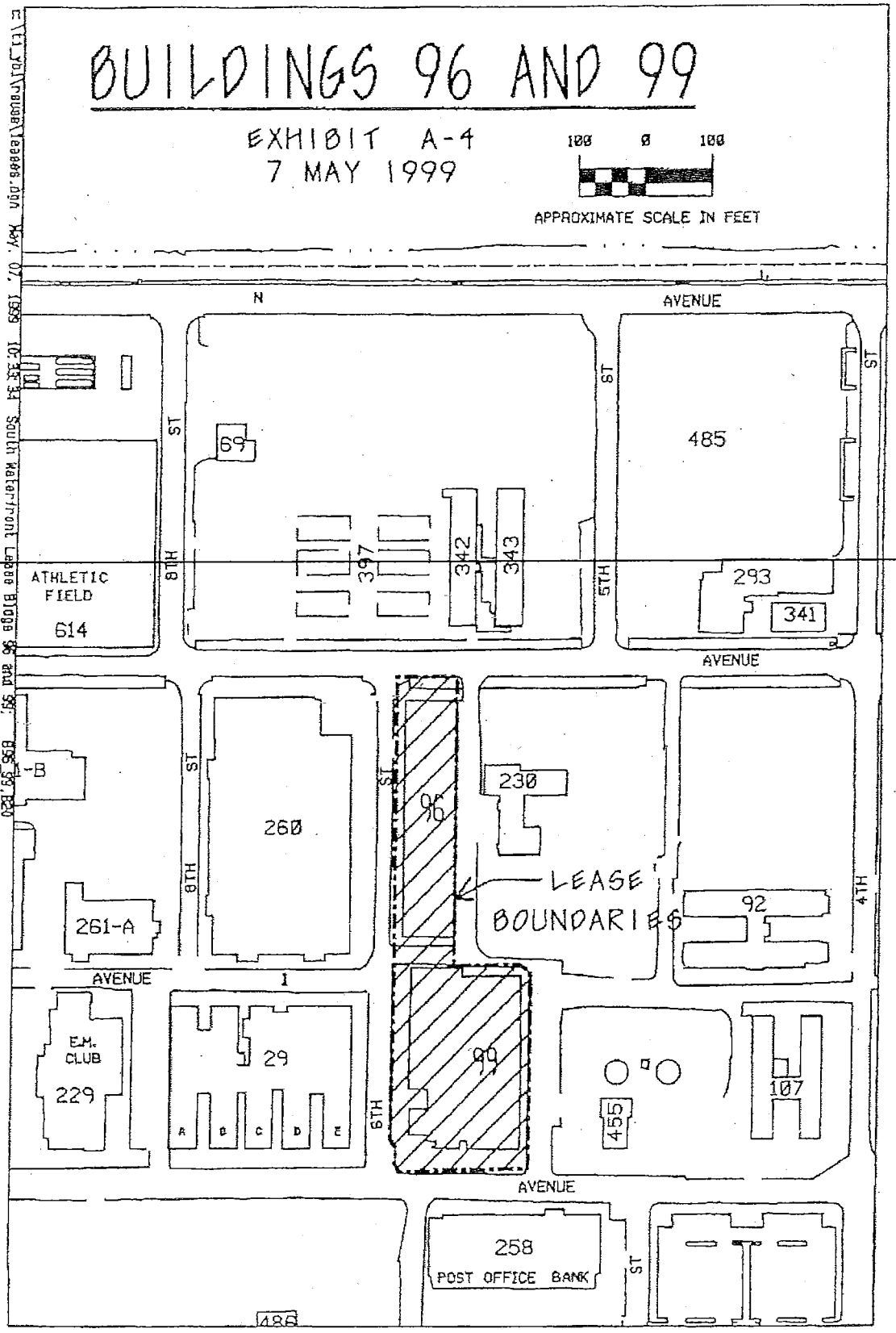
APPROXIMATE SCALE IN FEET
AVENUE
F
MEDICAL AND
DENTAL BLDG.
442
450
LEGAL
OFFICE


BUILDINGS 96 AND 99
EXHIBIT A-4
7 MAY 1999
100 0 100
APPROXIMATE SCALE IN FEET
N
AVENUE
ST
8TH
5TH
4TH
69
485
ATHLETIC FIELD
614
397
342
343
293
341
260
230
96
LEASE BOUNDARIES
92
261-A
E.M. CLUB
229
29
99
455
107
258
POST OFFICE BANK
486

FOURTH AMENDMENT
TO LEASE AGREEMENT N6247498RP00P99
BETWEEN
THE UNITED STATES OF AMERICA
AND
TREASURE ISLAND DEVELOPMENT AUTHORITY

THIS LEASE AMENDMENT made this 1st day of May 1999, by and between the UNITED STATES OF AMERICA, acting by and through the Department of the Navy, hereinafter called the "Government", and the TREASURE ISLAND DEVELOPMENT AUTHORITY, hereinafter called the "Lessee";

WHEREAS, the parties hereto, as of 4 September 1998, entered into Lease Agreement N6247498RP00P99 under the terms of which the Lessee uses certain real property for space located at the former Naval Station, Treasure Island; and

WHEREAS, the parties agree to amend the terms of the Lease Agreement.

NOW THEREFORE, in consideration of the terms, covenants and conditions hereinafter set forth; the following paragraph to Lease N6247498RP00P99 is hereby amended to reflect the following change;

Paragraph 1. Leased Premises, add the following:

Use of parking lot adjacent to Building 201, as shown on Exhibit "A-3" attached hereto and made a part hereof.

All other terms and conditions of the Lease Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have, on the respective dates set forth above duly executed this amendment to the Lease as of the day and year first above written.

UNITED STATES OF AMERICA

Beverly Freitas

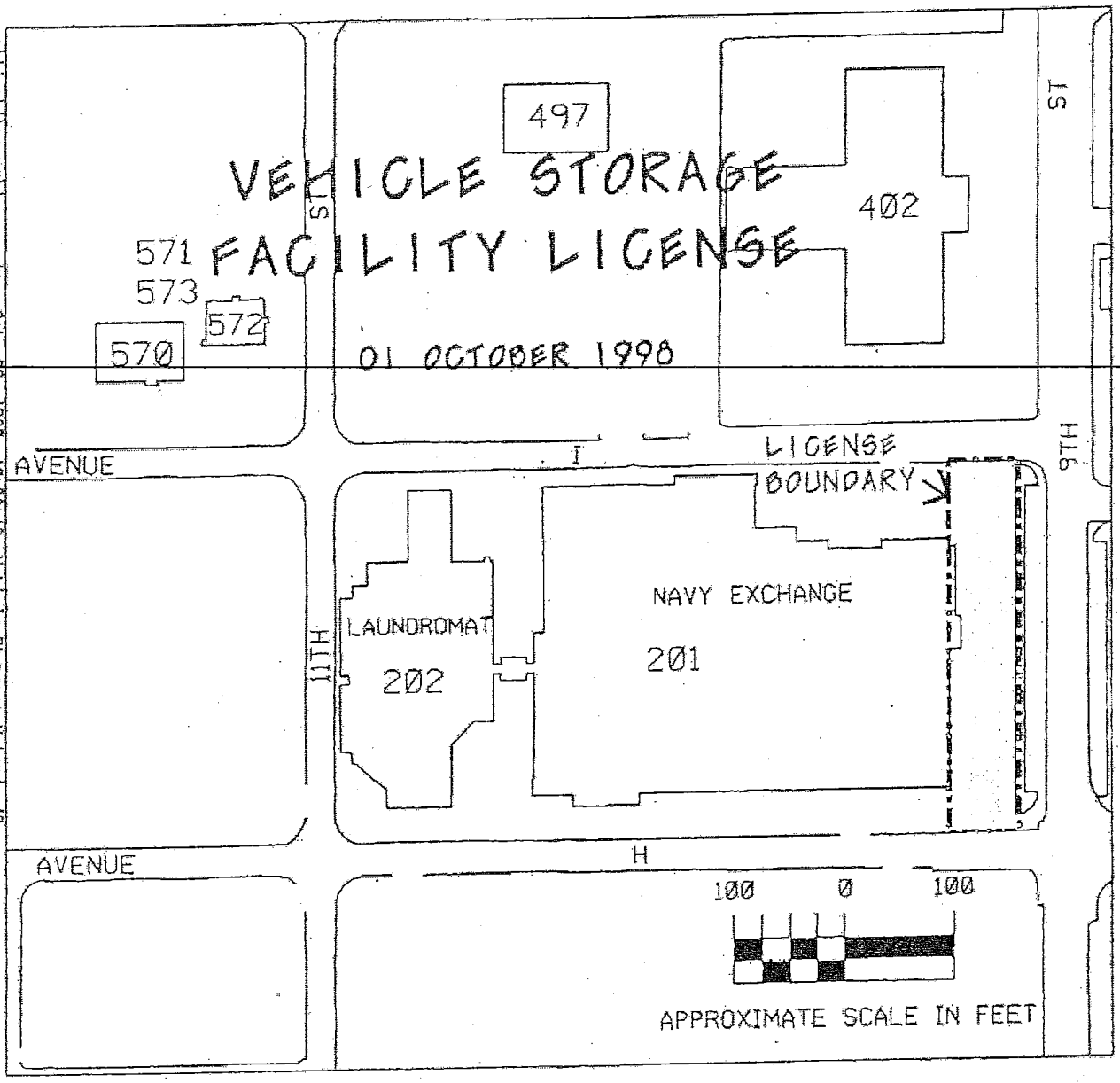
BEVERLY FREITAS
Title BRAC REAL ESTATE
REAL ESTATE CONTRACTING OFFICER

APPROVED AS TO FORM:

CITY ATTORNEY

CITY AND COUNTY OF SAN FRANCISCO

Title



c:\ti_v01\reuse\leases.dgn Oct. 06, 1998 12:00:18 Vehicle Storage, Vstor4.e40

EXHIBIT "A-3"

THIRD AMENDMENT
TO LEASE AGREEMENT N6247498RP00P99
BETWEEN
THE UNITED STATES OF AMERICA
AND
TREASURE ISLAND DEVELOPMENT AUTHORITY

THIS LEASE AMENDMENT made this 15th day of April 1999, by and between the UNITED STATES OF AMERICA, acting by and through the Department of the Navy, hereinafter called the "Government", and the TREASURE ISLAND DEVELOPMENT AUTHORITY, hereinafter called the "Lessee";

WHEREAS, the parties hereto, as of 4 September 1998, entered into Lease Agreement N6247498RP00P99 under the terms of which the Lessee uses certain real property for space located at the former Naval Station, Treasure Island; and

WHEREAS, the parties agree to amend the terms of the Lease Agreement.

NOW THEREFORE, in consideration of the terms, covenants and conditions hereinafter set forth; the following paragraph to Lease N6247498RP00P99 is hereby amended to reflect the following change;

Paragraph 3.1.3 delete the following:

"$0.050 per square foot per month of occupied building space (1) used or occupied by Lessee; (2) subleased by Lessee to another."

and insert the following:

"$0.025 per square foot per month of occupied building space (1) used or occupied by Lessee; (2) subleased by Lessee to another. This rate shall be effective 4 September 1998."

All other terms and conditions of the Lease Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have, on the respective dates set forth above duly executed this amendment to the Lease as of the day and year first above written.

UNITED STATES OF AMERICA

Beverly Freitas

Title BEVERLY FREITAS
BRAC REAL ESTATE
REAL ESTATE CONTRACTING OFFICER

APPROVED AS TO FORM:

CITY ATTORNEY

CITY AND COUNTY OF SAN FRANCISCO

ANNEMARIE CONROY
Executive Director
Treasure Island Development
Authority Project

Title

SECOND AMENDMENT
TO LEASE AGREEMENT N6247498RP00P99
BETWEEN
THE UNITED STATES OF AMERICA
AND
TREASURE ISLAND DEVELOPMENT AUTHORITY

THIS LEASE AMENDMENT made this 14th day of January 1999, by and between the UNITED STATES OF AMERICA, acting by and through the Department of the Navy, hereinafter called the "Government", and the TREASURE ISLAND DEVELOPMENT AUTHORITY, hereinafter called the "Lessee";

WHEREAS, the parties hereto, as of 3 September 1998, entered into Lease Agreement N6247498RP00P99 under the terms of which the Lessee uses certain real property for space located at the former Naval Station, Treasure Island; and

WHEREAS, the parties agree to amend the terms of the Lease Agreement.

NOW THEREFORE, in consideration of the terms, covenants and conditions hereinafter set forth; the following paragraph to Lease N6247498RP00P99 is hereby amended to reflect the following change;

Paragraph 1. Leased Premises add the following:

Use of 10,000 square feet in Building 99 as shown on Exhibit A-2.

All other terms and conditions of the Lease Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have, on the respective dates set forth above duly executed this amendment to the Lease as of the day and year first above written.

UNITED STATES OF AMERICA

Beverly Freitas
BEVERLY FREITAS
BRAC REAL ESTATE
Title REAL ESTATE CONTRACTING OFFICER

CITY AND COUNTY OF SAN FRANCISCO

Title

APPROVED AS TO FORM:

CITY ATTORNEY

FIRST AMENDMENT
TO LEASE AGREEMENT N6247498RP00P99
BETWEEN
THE UNITED STATES OF AMERICA
AND
TREASURE ISLAND DEVELOPMENT AUTHORITY

THIS LEASE AMENDMENT made this 5th day of September 1998, by and between the UNITED STATES OF AMERICA, acting by and through the Department of the Navy, hereinafter called the "Government", and the TREASURE ISLAND DEVELOPMENT AUTHORITY, hereinafter called the "Lessee";

WHEREAS, the parties hereto, as of 3 September 1998, entered into Lease Agreement N6247498RP00P99 under the terms of which the Lessee uses certain real property for space located at the former Naval Station, Treasure Island; and

WHEREAS, the parties agree to amend the terms of the Lease Agreement.

NOW THEREFORE, in consideration of the terms, covenants and conditions hereinafter set forth; the following paragraph to Lease N6247498RP00P99 is hereby amended to reflect the following change;

Paragraph 1. Leased Premises add the following:

Use of Pier 1 and adjacent parking as shown on Exhibit A-1

Paragraph 4 Use of Leased Premises add the following to paragraph 4.1:

Pier 1 may be used for film production, special events and maritime uses.

All other terms and conditions of the Lease Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have, on the respective dates set forth above duly executed this amendment to the Lease as of the day and year first above written.

UNITED STATES OF AMERICA

Beverly Freitas

Title BEVERLY FREITAS
BRAC REAL ESTATE
REAL ESTATE CONTRACTING OFFICER

APPROVED AS TO FORM:

CITY AND COUNTY OF SAN FRANCISCO

9-3-98

Title ANNEMARIE CONROY
Executive Director
Treasure Island Development
Authority Project

All correspondence in connection with
this contract should include reference to:

N6247498RP00P99

LEASE

BETWEEN

THE UNITED STATES OF AMERICA

AND

TREASURE ISLAND DEVELOPMENT AUTHORITY

FOR

THE SOUTH WATERFRONT AREA

NAVAL STATION TREASURE ISLAND

All correspondence in connection with
this contract should include reference to:

N6247498RP00P99

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N6247498RP00P99

LEASE
BETWEEN
THE UNITED STATES OF AMERICA
AND
TREASURE ISLAND DEVELOPMENT AUTHORITY

THIS LEASE, made as of this 4th day of September, 1998, is by and between THE UNITED STATES OF AMERICA, acting by and through the Department of the Navy, herein called "**Government**", and TREASURE ISLAND DEVELOPMENT AUTHORITY, acting by and through the City and County San Francisco, a non-profit public benefit corporation, herein called "**Lessee**";

WITNESSETH:

WHEREAS, Government has declared certain real and personal property, as more particularly described as the Leased Premises in Paragraph 1, surplus at the Naval Station Treasure Island, San Francisco, California, (the "Installation"), and Lessee has identified an immediate need to use such real and personal property; and

WHEREAS, the Secretary of the Navy, pursuant to the provisions of 10 U.S.C. § 2667 (f)(1), has determined that this Lease will facilitate state and local economic adjustment efforts pending final disposition of the Leased Premises; and

WHEREAS, the Secretary of the Navy, pursuant to 10 U.S.C. § 2667 (f)(2) has determined that a public interest will be served as a result of this Lease, the fair market value of the Lease is either unobtainable or not compatible with such public benefit, and consequently, consideration for this Lease will be at less than fair market value; and

WHEREAS, to the extent that this Lease involves storage, treatment and disposal of toxic or hazardous materials, the Secretary of the Navy has determined that the proposed use of the Leased Premises, subject to the terms and conditions of this Lease, meets the criteria of 10 U.S.C. § 2692(b)(9) and (10); and

WHEREAS, the Secretary of the Navy, after consultation with the Environmental Protection Agency Administrator has determined that the Leased Premises is suitable for lease, and the uses contemplated for the Lease are consistent with protection of human health and the environment; and

WHEREAS, Lessee is recognized by the Secretary of the Defense, through the Office of Economic Adjustment, as the local redevelopment authority with the responsibility for the redevelopment of the Installation; and

WHEREAS, Lessee is a municipal corporation, created and organized under the laws of the State of California, with the power to acquire, lease and dispose of federal military installations, and Lessee desires to enter into this Lease to further reuse efforts at the Installation.

All correspondence in connection with
this contract should include reference to:

N6247498RP00P99

NOW THEREFORE, in consideration of the terms, covenants, and conditions set forth in this Lease, Government and Lessee hereby agree as follows:

1. **LEASED PREMISES:**

Subject to the terms and conditions of this Lease, Government does hereby lease, rent, and demise to Lessee, and Lessee does hereby hire and rent from Government, Buildings 1 (149,799 SF), 180 (77,481 SF), 2 (138,661 SF), 3 (144,767 SF), 34 (19,038 SF), 111 (5,459 SF) and 146 (675 SF), Pier 12 the Photo Booth and the Parking Lot between Buildings 7 and 233, all comprising approximately 1,747,208.605 square feet (40.11 acres) of land, all the premises as shown on Exhibit A, attached hereto, together with all improvements; and all personal property described in Exhibit B attached hereto, and all rights of ingress and egress to such real property (together, the "Leased Premises").

2. **TERM:**

The term of this Lease shall be for a period of two (2) years beginning on 4 Sep 1998 and ending on 3 Sep 2000 unless sooner terminated in accordance with the provisions of Paragraph 14, Termination.

3. **CONSIDERATION:**

3.1 As consideration for this Lease, Lessee agrees to (i) actively market the Installation and attempt to sublease those portions of the Leased Premises which are suitable for subleasing, (ii) provide protection and maintenance to the extent described in Paragraph 12 for those portions of the Leased Premises which are or have been during the term of this Lease used or occupied by Lessee or subleased by Lessee to another and (iii) pay Government the Common Area Maintenance Charge described in Sections 3.1.2 and 3.1.3 below.

3.1.1 As additional consideration, subject to annual appropriations by Lessee's Board of Supervisor's, Lessee shall apply any Revenue (as defined herein) received from subleasing the Premises as follows: first, to reimburse itself for marketing and property management expenses incurred by Lessee; and second, for expenses incurred by Lessee for improvements to the Installation. If sufficient funds for the purposes described in this Section 3.1.1 are not appropriated for any reason in any fiscal year of the Lease after the fiscal year in which the Term of this Lease commences, then Government may terminate this Lease, without liability, upon thirty (30) calendar days written notice.

"Revenue" as referred to herein means rental income and any other miscellaneous income derived from the subletting of the Leased Premises less (i) sales tax, use and occupancy tax, franchise tax and any other taxes, building fees, planning fees and inspection fees related to the use and occupancy of the Leased Premises, and (ii) Lessee's cost of operating, maintaining, protecting and repairing the Leased Premises including, without limitation, any Common Area Maintenance Charges paid to Government pursuant to this Section 3.1.

3.1.2 Lessee shall be responsible for paying the cost of services incurred by Government and provided for the benefit of Lessee and sublessees as described and in the amount set forth in Paragraph 3.1.3 (the "Common Area Maintenance Charge"). Lessee shall pay Government the Common Area Maintenance Charge on the first day of each month.

3.1.3 The Common Area Maintenance Charge will be calculated as follows:

$0.050 per square foot per month of occupied building space (1) used or occupied by Lessee; (2) subleased by Lessee to another.

$0.003 per square foot per month of land area (1) used or occupied by Lessee; (2) subleased by Lessee to another.

The Common Area Maintenance Charge may be revised by Government and Lessee on an annual basis, or at other times only upon mutual agreement of Government and Lessee or as required by Section 3.1.4 below.

"Common Area Maintenance" for the purpose of the Common Area Maintenance Charge shall include, but are not limited to: fire fighting; general perimeter security (this does not include security of those portions of Leased Premises which are (1) used or occupied by Lessee, (2) subleased by Lessee to another); causeway operations, maintenance and repair; maintenance and repair of roads, streets, sidewalks, curbs and gutters; operation, maintenance and repair of street lighting, street signals and signage; operation, maintenance and repair of storm sewer; pest control, and general administration of these services. Nothing in this Lease commits Government to continue to provide Common Area Maintenance referenced herein.

3.1.4 If and to the extent Government reduces, modifies or ceases to provide all or portion of the Common Area Maintenance described herein or to the extent Lessee assumes the responsibility for such Common Area Maintenance pursuant to a cooperative agreement or other agreement with Government, the Common Area Maintenance Charge shall be proportionately reduced, to an amount mutually agreed upon by Government and Lessee, so that at all times during the term of this Lease the amount of the Common Area Maintenance Charge shall accurately and in substantially the same proportion as provided herein reflect the costs of Government in providing such Common Area Maintenance.

3.1.5 If the Government expects to incur any unanticipated costs which are specifically attributable to an action or inaction of the Lessee, its sublessees, or assigns, the Lessee and the Government shall meet and confer on ways to avoid or mitigate such costs and, if the costs can not be entirely avoided, the Lessee and Government shall mutually determine the

amount that Lessee shall pay from revenue in addition to the Common Area Maintenance Charge to defray those costs that cannot be avoided or mitigated. If the Lessee and Government are unable to reach agreement on a way to avoid or mitigate the unanticipated costs or the amount of compensation that the Lessee shall pay to the Government to defray such costs, their dispute shall be resolved in accordance with the provisions of Paragraph 23 of this Lease.

3.2 Consistent with standard accounting practices for tax purposes, Lessee shall keep adequate records and books of account showing the actual cost to it of all items of labor, material, equipment, supplies, services and other items of cost incurred by it directly in the performance of any item of work or service in the nature of marketing and management; the repair, restoration, protection and maintenance of Leased Premises which is required by Paragraph 12; or otherwise approved or directed by Government. Lessee shall provide Government with access to such records and books of account and proper facilities for inspection thereof at all reasonable times.

4. **USE OF LEASED PREMISES:**

4.1 The Leased Premises may be used and operated by Lessee as administrative and office space; subleased for use as a production facility for motion pictures, commercial and television filming and related activities; storage of files and records and office related equipment; and use for special events and other commercial and/or recreational purposes. Lessee understands and acknowledges that this is not and does not constitute a commitment by Government with regard to the ultimate disposal of Leased Premises, in whole or in part, to Lessee or any agency or instrumentality thereof, or to any sublessee. The Lease may be terminated by Government or Lessee as provided by the terms of the Lease pursuant to Paragraph 14, and Lessee and Government agree to and acknowledge such terms.

4.2 Lessee shall not undertake any activity that may affect an identified historic or archeological property, including excavation, construction, alteration or repairs of Leased Premises, without the approval of Government. Buried cultural materials may be present on the Leased Premises. If such materials are encountered, Lessee shall stop work immediately and notify Government.

5. **SUBLETTING:**

5.1 Lessee is authorized to sublease property included in this lease without obtaining Navy approval of the sublease, provided the sublease incorporates the terms of this lease (except for rental terms which may be different in amount or expressed differently) and does not include any provisions that are inconsistent with this lease. A copy of the sublease must be provided to the Navy Local Representative. In the event that the terms and conditions of the proposed sublease do not comply with or are not included in this Lease, then prior Government approval is required. Any proposed sublease which involves the use of hazardous or toxic materials,

including those of an explosive, flammable, or pyrotechnic nature, as provided in 10 U.S.C. 2692, shall require prior Government approval. Such consent shall not be unreasonably withheld or delayed. Each sublease shall contain the environmental protection provisions set forth in Paragraph 13 herein. Under no circumstances shall Lessee assign this Lease.

5.2 Any sublease granted by Lessee shall contain a copy of this Lease as an attachment and be subject to all terms and conditions of this Lease and shall terminate immediately upon the expiration or any earlier termination of this Lease, without any liability on the part of Government to Lessee or any sublessee. Under any sublease made, with or without consent, the sublessee shall be deemed to have assumed all of the obligations of Lessee under this Lease. No sublease shall relieve Lessee of any of its obligations hereunder.

5.3 Upon its execution, a copy of the sublease shall immediately be furnished to the Navy Local Representative. Should a conflict arise between the provisions of this Lease and a provision of the sublease, the provisions of this Lease shall take precedence. Any sublease shall not be taken or construed to diminish or enlarge any of the rights or obligations of either of the parties under this Lease.

6. JOINT INSPECTION & INVENTORY REPORT:

6.1 Joint Inspection. Representatives of the Lessee and Government shall conduct a joint inspection of all portions of the Leased Premises to be (1) beneficially used or occupied by the Lessee; (2) assigned by the Lessee to another; or (3) subleased by Lessee to another for any purpose. Such inspections shall be completed before any such use begins and may include a representative of the sublessee if appropriate. Based on the joint inspection, a complete inventory of Government property located on the Leased Premises and a report of the condition of the Leased Premises, including the condition of improvements, appurtenances and personal property thereon, has been prepared and is attached to this Lease as Exhibit C.

6.2 No Warranty by Government. All facilities and property delivered to the Lessee shall be delivered "as is, where is," and, as such, the Government makes no warranty as to such facilities and property either as to their usability generally or as to their fitness for any particular purpose. As provided in Section 12 of this Lease, Lessee shall, at no expense to Government, maintain those portions of the Leased Premises which Lessee uses or subleases, and will from time to time make or cause to be made all necessary and proper repairs, replacements, and renewals which shall thereupon become part of the Leased Premises. During the term of this Lease, Government shall have no responsibility, financial or otherwise, except as otherwise described herein with respect to protection and maintenance of the Leased Premises.

6.3 In accordance with 32 CFR §91.7(h), governing the disposition of personal property at closing military bases, Personal Property shall be identified throughout the Installation for use in connection with redevelopment of the Installation. At no expense to Government, and only with Government approval, Personal Property may be relocated from other buildings to the Leased

Premises in order to facilitate redevelopment, including exclusive use thereof by the sublessee during the Term of this Lease. Each inventory, upon completion, shall be identified by building or facility number, and signed and dated by both parties to this Lease and attached to this Lease as part of the Joint Inspection Report attached hereto as Exhibit C.

7. ENVIRONMENTAL BASELINE SURVEY AND FINDINGS OF SUITABILITY TO LEASE:

An Environmental Baseline Survey for Lease (EBSL) and a Finding of Suitability to Lease (FOSL) are attached to this Lease as Exhibit D and made part of this Lease. The EBSL sets forth the existing environmental conditions of the Leased Premises as represented by the baseline survey which has been conducted by Government. The FOSL sets forth the basis for the Government's determination that Leased Premises are suitable for leasing. Lessee is hereby made aware of the information contained in the FOSL attached hereto as Exhibit D and shall comply with applicable restrictions set forth therein.

8. ALTERATIONS:

8.1 Lessee shall not construct, make or permit its sublessees to construct or make any substantial alterations, additions, excavations, improvements to, installations upon or otherwise modify or alter the Leased Premises in any way, including those which may adversely affect the remediation of hazardous materials on the Installation (together, "Alterations") without the prior written consent of Government. Such consent may not be unreasonably withheld or delayed, but may involve, where reasonably necessary, a requirement for Lessee or Lessee's contractor to provide the government with a performance and payment bond satisfactory to it in all respects and other requirements deemed reasonably necessary to protect the interests of the Government.

8.2 Upon termination of this Lease, as directed by Government, Lessee shall, at the option of the Government either:

8.2.1 Promptly remove all alterations, additions, betterments and improvements made or installed and restore the Leased Premises to the same or as good condition as existed on the date of entry under this Lease, reasonable wear and tear and acts of God excepted; or

8.2.2 Abandon such additions or alterations in place, at which time title to such alterations, improvements and additions shall vest in Government.

8.2.3 In either event all personal property and trade fixtures of Lessee or any third person may be removed from the Leased Premises and Lessee shall repair any damage to the Leased Premises resulting from such removal.

9. ACCESS BY GOVERNMENT:

In addition to access required under Paragraph 13, at all reasonable times throughout the term of this Lease, Government shall be allowed reasonable access to the Leased Premises for any purpose. Government will give Lessee or any sublessee at least twenty-four (24) hour prior notice of its intention to enter the Leased Premises, unless it determines the entry is immediately required for safety, environmental, operations or security purposes. Lessee shall have no claim on account of any entries against Government or any officer, agent, employee, contractor or subcontractor of Government. All keys to the buildings and facilities occupied by Lessee or any sublessee shall be made available to Government upon request.

10. UTILITIES AND SERVICES:

Procurement of utilities (i.e., electricity, water, gas, sewer, telephone and trash removal) will be the responsibility of Lessee. Lessee agrees to obtain needed utility services from any private or municipal supplier who should, during the term of Lease, become able to deliver such services to Leased Premises. In the event that Government shall furnish Lessee with any utilities or services maintained by Government which Lessee may require in connection with its use of Leased Premises, Lessee shall pay Government the cost incurred in providing such utilities or services in the amounts set forth in Exhibit E attached hereto, which rates shall be determined by Government and Lessee in accordance with applicable laws and regulations. Lessee, at no cost to Government, shall install metering devices for utilities serving the Leased Premises prior to its occupancy. The volume of utilities used by Lessee shall be determined by such metering devices. It is expressly agreed and understood that Government in no way warrants the continued availability, maintenance or adequacy of any utilities or services furnished to Lessee.

11. NON-INTERFERENCE WITH GOVERNMENT OPERATIONS:

Lessee shall not conduct operations nor make any alterations that would interfere with or otherwise restrict operations, environmental clean-up or restoration actions by Navy, Environmental Protection Agency (EPA), applicable state equivalent, or their contractors. Environmental clean-up, restoration or testing activities by these parties shall take priority over Lessee's use of Leased Premises in the event of any conflict. However, Government and Lessee agree to coordinate to minimize potential conflicts between necessary remediation of environmental contamination, including investigation and remedial actions, and Lessee's and any sublessee's use of Leased Premises.

12. PROTECTION AND MAINTENANCE SERVICES:

12.1 Except as otherwise specifically provided herein, Lessee shall furnish or cause to be furnished all labor, supervision, materials, supplies and equipment necessary to the operation, maintenance and repair of the following building systems and appurtenances located in or on the Leased Premises: structural (including roof), fencing, plumbing, electrical, heating and cooling systems; exterior utility systems (including fire hydrants and mains); pavement and grounds

maintenance (including grass cutting, shrub trimming and tree removal); pest and weed control; security and fire protection within Leased Premises; refuse collection, removal and disposal; and utilities maintenance necessary for the protection of Leased Premises. Government shall not be required to furnish any services or facilities to Lessee or to make any repair or alteration in or to Leased Premises. Lessee hereby assumes the full and sole responsibility for the protection, maintenance and repair of Leased Premises set forth in this paragraph. For specifics as to such protection and maintenance required to be provided by Lessee hereunder, the following provisions shall apply:

12.1.1 The degree of maintenance and repair services to be furnished by Lessee hereunder shall be that which is sufficient to assure weather tightness, structural stability (excluding any seismic retrofit and/or modification to foundations resulting from extraordinary natural occurrences such as earthquakes, floods and landslides), protection from fire hazards or erosion, and elimination of safety and health hazards which arise during the term of the Lease and which are not caused by the actions of Government or its employees, contractors or agents, so that the Leased Premises being serviced will remain in the condition in which they existed at the commencement of the Lease as documented in the Joint Inspection and Inventory Report prepared pursuant to Paragraph 6, ordinary wear and tear and acts of God excepted. Prior to use and occupancy, Lessee shall correct the safety and health hazards described on Exhibit F.

12.2 During term the of this Lease, debris, trash and other useless materials placed on the Leased Premises during the term of this Lease shall be promptly removed from the Leased Premises. Upon termination or expiration of this Lease, the Leased Premises shall be left without containers, Lessee's equipment, and other undesirable materials placed on the Leased Premises during the term of this Lease (except by Government) and in as clean condition as received by Lessee.

12.3 Lessee shall provide or cause to be provided all security services necessary to assure security and safety within the Leased Premises. Any crimes or other offenses, including traffic offenses and crimes and offenses involving damage to or theft of Government property, shall be reported to the appropriate authorities for their investigation and disposition and to Government as property owner.

12.4 Lessee shall take or cause to be taken, all reasonable and necessary fire protection precautions at the Leased Premises. Such precautions may include, but are not limited to, the maintenance of any sprinkler system that exists on the effective date of this Lease and/or the provision of portable fire extinguishers for fire protection of Leased Premises.

12.5 Lessee is responsible for the repair and maintenance of all interior utility systems and those exterior utility systems, distribution lines, connections and equipment which solely support the Leased Premises. This responsibility extends from the Leased Premises to the point of connection with the utility system which serves users other than Lessee.

12.6 Lessee shall ensure only trained and qualified persons are utilized in performance of the maintenance and protection services specified in this paragraph.

13. ENVIRONMENTAL PROTECTION PROVISIONS:

13.1 Lessee, sublessees and contractors shall comply with all applicable Federal, state and local laws, regulations and standards that are or may become applicable during the term of this Lease to Lessee's activities on the Leased Premises.

13.2 Lessee or any sublessee shall be solely responsible for obtaining, at no cost to Government, any environmental permits required for its operations under the Lease, independent of any existing permits held by the Government. Nothing in this Lease shall require Lessee to become a secondary discharger or co-permittee on any existing environmental permit held by Government relating to the operation of the Installation, including, without limitation, any environmental permits associated with the operation of the Installation's sewage treatment plant. Any and all environmental permits required for any of Lessee's or sublessees' operations or activities will be subject to prior concurrence of the Commanding Officer, Engineering Field Activity West, Naval Facilities Engineering Command. Lessee acknowledges that the Government will not consent to being named a secondary discharge or co-permittee for any operations or activities of the Lessee or any sublessee under the Lease. In the event the Government is named as a secondary discharger or co-permittee for any activity or operation of the Lessee or any sublessee, Government shall have the right to take reasonable actions necessary to prevent, suspend, or terminate such activity or operation, including terminating this Lease, without liability or penalty.

13.3 Government's rights under this Lease specifically include the right for Government officials to inspect upon reasonable notice the Leased Premises for compliance with environmental, safety and occupational health laws and regulations, whether or not Government is responsible for enforcing them. Such inspections are without prejudice to the right of duly constituted enforcement officials to make such inspections. Government will give Lessee or sublessee twenty-four (24) hours prior notice of its intention to enter Leased Premises unless it determines the entry is immediately required for safety, environmental, operations or security purposes. Lessee shall have no claim on account of any entries against the United States or any officer, agent, employee, contractor or subcontractor thereof.

13.4 Government and its officers, agents, employees, contractors and subcontractors have the right, upon reasonable notice to Lessee and any sublessee, to enter upon the Leased Premises for the purposes enumerated in this subparagraph:

13.4.1 to conduct investigations and surveys, including, where necessary, drilling, soil and water sampling, testpitting, testing soil borings and other activities related to the Installation Restoration Program (IRP);

13.4.2 to inspect field activities of Government and its contractors and subcontractors in implementing the IRP;

13.4.3 to conduct any test or survey related to implementation of the IRP or environmental conditions at Leased Premises or verify any data submitted to EPA or applicable state equivalent by Government relating to such conditions;

13.4.4 to construct, operate, maintain or undertake any other response or remedial action as required or necessary under the IRP, including but not limited to monitoring wells, pumping wells and treatment facilities.

13.5 Lessee agrees to comply with the provisions of any health or safety plan in effect under the IRP during the course of any of the above described response or remedial actions. Any inspection, survey, investigation or other response or remedial action will, to the extent practicable, be coordinated with representatives designated by Lessee and any sublessee. Lessee and sublessee shall have no claim on account of such entries against the United States or any officer, agent, employee, contractor or subcontractor thereof. In addition, Lessee shall comply with all applicable Federal, state and local occupational safety and health regulations.

13.6 Lessee further agrees that if the Leased Premises are subject to ongoing environmental remediation by Government, during such period, Lessee shall provide to EPA and applicable state equivalent by certified mail a copy of any sublease of the Leased Premises within fourteen (14) calendar days after the effective date of such sublease. Lessee may delete the financial terms and any other proprietary information from the copy of any agreement of assignment or sublease furnished pursuant to this condition.

13.7 Lessee shall strictly comply with the hazardous waste permit requirements under the Resource Conservation and Recovery Act or its applicable state equivalent. Except as specifically authorized by Government in writing, Lessee must provide at its own expense such hazardous waste management facilities as required by its use of the Leased Premises, complying with all laws and regulations. Government hazardous waste management facilities will not be available to Lessee. Any violation of the requirements of this condition shall be deemed a material breach of this Lease.

13.8 DOD component accumulation points for hazardous and other waste will not be used by Lessee or any sublessee. Neither will Lessee or sublessee permit its hazardous wastes to be commingled with hazardous waste of DOD Component.

13.9 Before beginning operations on the Leased Premises, Lessee shall have a Government-approved plan for responding to hazardous waste, fuel and other chemical spills. Such plan shall be independent of the Installation plan and, except for initial fire response and/or spill containment, shall not rely on the use of Installation personnel or equipment. Should Government provide to the Leased Premises any personnel or equipment whether for initial fire response and/or spill containment, or otherwise on request of Lessee, or because Lessee was not,

in the reasonable opinion of Government, conducting timely cleanup actions, Lessee agrees to reimburse Government for its reasonable and actual costs in association with such response or cleanup upon receipt of an invoice for such costs.

13.10 Lessee shall not conduct or permit its sublessees to conduct any subsurface excavation, digging, drilling or other disturbance of the surface without the prior written approval of Government, which consent shall not be unreasonably withheld or delayed.

13.11 To the extent required by law and regulation, Government shall abate, remove or otherwise remedy all friable, accessible and damaged asbestos containing material (ACM), lead based paint (LBP) and polychlorinated biphenyls (PCBs) from Leased Premises. The presence of known ACM, LBP or PCBs shall be fully identified in an Environmental Baseline Survey (EBS) and/or Supplemental Environmental Baseline Survey (SEBS), attached as an Exhibit.

13.11.1 Except as provided in Paragraph 13.11.2, Government is not responsible for any removal or containment of asbestos containing materials (ACM). If Lessee intends to make any improvements or repairs that require the removal of asbestos, an appropriate asbestos disposal plan must be incorporated into the plans and specifications and submitted to Government. The asbestos disposal plan will identify the proposed disposal site for the asbestos, or in the event the site has not been identified, will provide for disposal at a licensed facility authorized to receive it.

13.11.2 Government shall be responsible for the removal or containment of the ACM identified as requiring abatement shown on Exhibit G attached hereto as damaged or deteriorated ACM. Government agrees to abate these listed items of damaged or deteriorated ACM. Government may choose the most economical means of abating any damaged or deteriorated ACM, which may include removal, repair or containment (encapsulation), or a combination of removal, repair and containment. The forgoing obligation of Government does not apply to any ACM other than that identified in Exhibit G. Notwithstanding Paragraph 13.11.1 above, in an emergency, Lessee will notify Government as soon as practicable of its emergency ACM responses. Lessee shall be responsible for monitoring the condition of existing ACM on Leased Premises for deterioration or damaged and accomplishing repairs or abatement pursuant to the applicable conditions of this Lease.

13.12 Lessee shall indemnify and hold harmless Government from any costs, expenses, liabilities, fines or penalties resulting from discharges, emissions, spills, storage or disposal arising from Lessee's occupancy, use or operations, or any other action by Lessee or any sublessee during the term of this Lease giving rise to Government liability under Federal, state or local environmental laws. Lessee's obligations hereunder shall apply whenever Government incurs costs or liabilities as a result of Lessee's activities or activities of any sublessee as provided hereunder. However, this indemnity does not extend to those damages which are due to the fault or negligence of Government or its contractors. This provision shall survive the expiration or termination of this Lease.

13.13 Storage, treatment or disposal of toxic or hazardous materials on the Leased Premises is prohibited excepted as authorized by Government in accordance with 10 U.S.C. § 2692. The materials identified on Exhibit H attached hereto have been authorized by Government in accordance with 10 U.S.C. § 2692.

13.14 The responsibility of Government to indemnify and hold harmless the Lessee and any sublessee against any toxic torts and other environmental claims shall be in accordance with Public Law 102-484, the National Defense Authorization Act for Fiscal Year 1993, Section 330, as amended.

13.15 If Lessee or a sublessee encounters pre-existing conditions caused by the Government which require the Government to take action in accordance with Federal, State or local law to remove, remediate, correct, or abate hazardous substances, pollutants or contaminants, the Lessee or sublessee shall promptly notify the Government, cease performance, and secure the work site. Vacation of the Leased Premises, or any part thereof, will be directed pursuant to the provisions of Section 15 of this Lease. The Government will take necessary and appropriate actions, as required by Federal, State or local law, and bear the cost of such removal, remediation, corrective action, or abatement, subject to the availability of funds for such purpose.

14. **TERMINATION:**

14.1 Government shall have the right to terminate this Lease, in whole or in part, without liability, upon thirty (30) calendar days written notice:

14.1.1 In the event of the Government making a final decision on disposal of the Leased Premises that is inconsistent with continued use thereof by Lessee under this Lease; or

14.1.2 In the event of a national emergency as declared by the President or the Congress of the United States and Government makes a determination that such national emergency requires termination of this Lease; or

14.1.3 If, at any time after January 1, 2003, (a) Government has complied with all applicable legal requirements to convey fee title to the Premises, (b) Government has satisfied in full all of its obligations under this Lease, (c) Government tenders to Lessee a conveyance of fee ownership of the Premises after negotiating in good faith with respect to establishing reasonable terms, conditions of, and consideration for such conveyance, and (d) Lessee fails to accept such conveyance within one hundred eighty (180) calendar days of written notice of such tender; or

14.1.4 In the event of a breach by Lessee of any of the terms and conditions hereof. In the event of a breach involving the performance of any obligation, Lessee shall be afforded thirty (30) calendar days from the receipt of Government's written notice of intent to terminate to complete performance of the obligation or otherwise cure the subject breach and avoid termination of this Lease, unless Government determines that a shorter period is required for safety, environmental, operations or security purposes. In the event that Government shall

elect to terminate this Lease on account of the breach by Lessee of any of the terms and conditions, Government shall be entitled to recover and Lessee shall pay to Government:

14.1.4(a) The costs incurred in resuming possession of the Leased Premises.

14.1.4(b) The costs incurred in performing any obligation on the part of the Lessee to be performed hereunder, but only after notice to Lessee and the expiration of all applicable cure periods.

14.1.4(c) An amount equal to the aggregate of any maintenance obligations and charges assumed hereunder and not paid or satisfied, which amounts shall be due and payable at the time when such obligations and charges would have accrued or become due and payable under this Lease.

14.2 Lessee shall have the right to terminate this Lease upon thirty (30) calendar days written notice to Government in the event of breach by Government of any of the terms and conditions hereof. In the event of a breach involving the performance of any obligation, Government shall be afforded thirty (30) calendar days from the receipt of Lessee's notice of intent to terminate to complete performance of the obligation or otherwise cure the subject breach and avoid termination of this Lease. Lessee shall also have the right to terminate this Lease in the event of damage to or destruction of all of the improvements on Leased Premises or such a substantial portion thereof as to render Leased Premises incapable or impracticable of use for the purposes for which it is leased hereunder, provided:

14.2.1 Government either has not authorized or directed the repair, rebuilding or replacement of the improvements or has made no provision for payment for such repair, rebuilding or replacement by application of insurance proceeds or otherwise; and

14.2.2 That such damage or destruction was not occasioned by the fault or negligence of Lessee or any of its officers, agents, servants, employees, subtenants, licensees or invitees, or by any failure or refusal on the part of Lessee to fully perform its obligations under this Lease.

14.2.3 If Government requires Lessee or any sublessee to vacate all or a substantial portion of Leased Premises pursuant to any provision of this Lease for a period in excess of thirty (30) calendar days, Lessee may terminate this Lease by written notice to Government given at any time while Lessee shall continue to be denied use of all or a substantial portion of Leased Premises. Lessee shall thereafter surrender possession of Leased Premises within fifteen (15) calendar days of such notice.

15. ENVIRONMENTAL CONTAMINATION:

In the event environmental contamination is discovered on the Leased Premises which creates, in Government's determination, an imminent and substantial endangerment to human health or the environment which necessitates evacuation of the Leased Premises, and notwithstanding any other termination rights and procedures contained in this Lease, Lessee shall vacate or require any sublessee to vacate Leased Premises immediately upon notice from Government of the existence of such a condition. Exercise of this right by Government shall be without liability, except that Lessee shall not be responsible for the payment of consideration, the amount of deduction to be determined on a daily pro-rata basis, during the period Leased Premises is vacated, and Lessee shall have the right to terminate this Lease if, as provided in Section 14.3 above, Lessee or any sublessee is deprived of the beneficial use and occupancy of the Leased Premises for a period in excess of thirty (30) days. Government's exercise of this right herein to order the Leased Premises immediately vacated does not alone constitute a termination of the Lease, but such right may be exercised in conjunction with any other termination rights provided in this Lease or by law.

16. NON-ENVIRONMENTAL INDEMNIFICATION BY LESSEE:

The Lessee shall hold harmless, indemnify, and defend the Government from and against any suit, claim, demand or action, liability, judgment, cost or other fee arising out of any claim for injury or damage that results from, or is any manner predicated upon activities of the Lessee on the Leased Property during the term of the Lease. This indemnification applies to any fines, claims, demands and causes of action of every nature whatsoever which may be made upon, sustained or incurred by Government by reasons of any breach, violation, omission or non-performance of any term, covenant or condition hereof on the part of Lessee or the employees, agents, servants, guests, invitees and sublessees of Lessee. This indemnification also applies to claims arising out of the furnishing of any utilities or services by Government or any interruption therein or failure thereof, whether or not the same shall be occasioned by the negligence or lack of diligence of Lessee, its officers, agents, servants, employees or sublessees. However, this indemnity does not extend to those damages which are due to the fault or negligence of Government or its contractors. This covenant shall survive the termination of this Lease.

17. INSURANCE:

17.1 At the commencement of this Lease, Lessee shall obtain, from a reputable insurance company or companies, liability insurance or shall maintain a program of self-insurance. The insurance shall provide an amount not less than a minimum combined single limit of $10 million, for any number of persons or claims arising from any one incident with respect to bodily injuries or death resulting therefrom, property damage or both, suffered or alleged to have been suffered by any person or persons resulting from the operations of Lessee, sublessees, contractors and invitees under the terms of this Lease. Lessee shall provide Government certificates of its self-

insurance or require its insurance company to furnish Government a copy of the policy or policies, or if acceptable to Government, certificates of insurance evidencing the purchase of such insurance. The minimum amount of liability insurance coverage is subject to revision by Government every three years or upon renewal or modification of this Lease.

17.2 As to those structures and improvements on Leased Premises constructed by or owned by Government, Lessee shall procure and maintain at Lessee's cost a standard fire and extended coverage insurance policy or policies or a program of self-insurance on the Leased Premises in an amount sufficient to demolish damaged or destroyed structures and improvements, remove debris and clear the Leased Premises. Should Lessee elect to purchase commercial insurance in lieu of self-insurance, Lessee shall procure such insurance from a reputable company or companies. In that event, the insurance policy shall provide that in the event of loss thereunder, the proceeds of the policy or policies, at the election of Government, shall be payable to Lessee to be used solely for the demolition of damaged or destroyed structures and improvements, removal of debris and clear the Leased Premises or for repair, restoration, or replacement of the property damaged or destroyed. Any balance of the proceeds not required for such purposes shall be paid to Government. If Government does not elect, by notice in writing to the insurer within thirty (30) calendar days after the damage or destruction occurs, to have the proceeds paid to Lessee for the purposes herein above set forth, then such proceeds shall be paid to Government, provided however that the insurer, after payment of any proceeds to Lessee in accordance with the provision of the policy or policies, shall have no obligation or liability with respect to the use or disposition of the proceeds by Lessee. Nothing herein contained shall be construed as an obligation upon Government to repair, restore or replace Leased Premises or any part thereof.

17.3 If and to the extent required by law, Lessee shall provide workmen's compensation or similar insurance or self-insurance in form and amounts required by law.

17.4 During the entire period this Lease shall be in effect, Lessee shall require its contractors or sublessees or any contractor performing work at Lessee's or sublessee's request on Leased Premises to carry and maintain the insurance required below:

17.4.1 Comprehensive general liability insurance, including, but not limited to, contractor's liability coverage and contractual liability coverage, of not less than $3 million, per occurrence with respect to personal injury or death, and $5 million, per occurrence with respect to property damage.

17.4.2 Workman's compensation or similar insurance in form and amounts required by law.

17.5 Should Lessee purchase commercial insurance in lieu of self-insurance, all insurance which this Lease requires Lessee or sublessee to carry and maintain or cause to be carried or maintained shall be in such form, for such periods of time, and with such insurers as Government may reasonably require or approve. In that event, all policies or certificates issued

by the respective insurers for public liability and property insurance will name Government as an additional insured, provide that any losses shall be payable notwithstanding any act or failure to act or negligence of Lessee or Government or any other person, provide that no cancellation, reduction in amount, or material change in coverage thereof shall be effective until at least thirty (30) calendar days after receipt by Government of written notice thereof; provide that the insurer shall have no right of subrogation against Government; and be reasonably satisfactory to Government in all other respects. In no circumstances will Lessee be entitled to assign to any third party, rights of action which Lessee may have against Government.

17.6 Lessee and sublessees shall deliver or cause to be delivered promptly to Government a certificate of insurance or self-insurance evidencing the insurance required by this Lease and shall also deliver no later than thirty (30) calendar days prior to expiration of any such policy, a certificate of insurance evidencing each renewal policy covering the same risks.

18. **LABOR PROVISION:**

During the term of this Lease, Lessee agrees as follows:

18.1 Lessee will not discriminate against any employee or applicant for employment because of race, color, religion, sex or national origin. Lessee shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rate of pay or other forms of compensation and selection for training, including apprenticeship. Lessee agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by Government setting forth the provisions of this nondiscrimination clause.

18.1.1 Lessee shall, in all solicitations or advertisements for employees placed at Leased Premises by or on behalf of Lessee, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex or national origin.

18.1.2 Lessee shall send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding a notice to be provided by Government, advising the labor union or worker's representative of Lessee's commitments under this equal opportunity clause and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

18.1.3 Lessee shall comply with all provisions of Executive Order 11246 of September 24, 1965, as amended by Executive Order 11375 of October 13, 1967, and of the rules, regulations and relevant orders of the Secretary of Labor.

18.1.4 Lessee shall furnish all information and reports required by Executive order 11246 of September 24, 1965, as amended by Executive Order 11375 of October 13, 1967, and of the rules, regulations and relevant orders of the Secretary of Labor or pursuant thereto, and will permit access to his books, records and accounts by Government and the Secretary of Labor for purposes of investigating to ascertain compliance with such rules, regulations and orders.

18.1.5 In the event of Lessee's noncompliance with the equal opportunity clause of this Lease or with any of said rules, regulations or orders, this Lease may be canceled, terminated or suspended in whole or in part, after the expiration of all applicable cure periods, and Lessee may be declare ineligible for further Government contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, as amended by Executive order 11375 of October 13, 1967, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, as amended by Executive Order 11375 of October 13, 1967, or by rule, regulation or order of the Secretary of Labor, or otherwise provided by law.

18.1.6 Lessee will include the above provisions in every sublease unless exempted by rules, regulations or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order 11246 of September 24, 1965, as amended by Executive Order 11375 of October 13, 1967, so that such provisions will be binding upon each sublessee. Lessee will take such action with respect to any sublessee as Government may direct as a means of enforcing such provisions including sanctions for noncompliance; provided, however, that in the event Lessee becomes involved, or is threatened with litigation with sublessee as a result of such direction by Government, Lessee may request the United States to enter into such litigation to protect the interest of the United States.

18.2 This Lease, to the extent that it is a contract of a character specified in the Contract Work Hours and Safety Standards Act (40 U.S.C. 327-330) and is not covered by the Walsh-Healy Public Contracts Act (41 U.S.C. 35-45), is subject to the following provisions and exceptions of said Contract Work Hours and Safety Standards Act and to all other provisions and exceptions of said law.

18.2.1 Lessee shall not require or permit any laborer or mechanic in any workweek in which he is employed on any work under this Lease to work in excess of 40 hours in such work week on work subject to the provisions of the Contract Work Hours Standards Act unless such laborer or mechanic receives compensation at a rate not less than one and one-half times his basic rate of pay for all such hours worked in excess of 40 hours in such work week. The "basic rate of pay", as used in this clause, shall be the amount paid per hour, exclusive of Lessee's contribution or cost for fringe benefits and any cash payment made in lieu of providing fringe benefits or the basic hourly rate contained in the wage determination, whichever is greater.

18.2.2 In the event of any violation of the provision of Paragraph 18.2.1, Lessee shall be liable to any affected employee for any amounts due, and to the United States for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic employed in violation of the provisions of paragraph 18.2.1 in the sum of ten $10.00 for each calendar day on which such employee was required or permitted to be employed on such work in excess of the standard workday of 8 hours or in excess of the standard work week of 40 hours without payment of the overtime wages required by Paragraph 18.2.1.

18.3 In connection with the performance of work required by this Lease, Lessee agrees not to employ any person undergoing a sentence of imprisonment at hard labor.

19. **SUBMISSION OF NOTICES:**

Notices shall be sufficient under this Lease if made in writing and to the addressees as

Lessee: City and County of San Francisco
Ms. Annemarie Conroy
San Francisco Mayor's Office
Treasure Island Project
410 Palm Ave. Bldg. 1, Room 237
Treasure Island
San Francisco, CA 94130

Government: Commanding Officer (Attn: Code 624)
Engineering Field Activity - West
Naval Facilities Engineering Command
900 Commodore Drive
San Bruno, CA 94066-5000

The individuals so designated above shall be representatives of the parties and the points of contact during the period of this Lease.

20. **AUDIT:**

This Lease shall be subject to audit by any and all cognizant Government agencies. Lessee shall make available to such agencies for use in connection with such audits all records which it maintains with respect to this Lease and copies of all reports required to be filed hereunder.

21. **AMENDMENTS:**

This Lease shall not be amended or modified unless in writing and signed by both parties. No oral statements or representation made by, for or on behalf of either party shall be a part of this Lease. Should a conflict arise between the provisions of this Lease and any exhibit hereto, or

any other agreement between Government and Lessee, the provisions of this Lease shall take precedence.

22. **FAILURE TO INSIST ON COMPLIANCE:**

The failure of Government or Lessee to insist, in any one or more instances, upon performance of any of the terms, covenants or conditions of this Lease shall not be construed as a waiver or relinquishment of Government's or Lessee's right to the future performance of any such terms, covenants or conditions and Government's and Lessee's respective obligations in respect of such future performance shall continue in full force and effect.

23. **DISPUTES:**

23.1 This lease is subject to the Contract Disputes Act of 1978, as amended (41 U.S.C. 601-613) (the Act).

23.2 Except as provided in the Act, all disputes arising under or relating to this Lease shall be resolved under this clause.

23.3 "Claim", as used in this clause, means a written demand or written assertion by Lessee or Government seeking, as a matter of right, the payment of money in a sum certain, the adjustment or interpretation of lease terms, or other relief arising under or relating to this Lease. A claim arising under this Lease, unlike a claim relating to this Lease, is a claim that can be resolved under a lease clause that provides for the relief sought by the claimant. However, a written demand or written assertion by Lessee seeking the payment of money exceeding $100,000 is not a claim under the Act until certified as required by subparagraph 23.4 below. A voucher, invoice or other routine request for payment that is not in dispute when submitted, is not a claim under the Act. The submission may be converted to a claim under the Act, by complying with the submission and certification requirements of this clause, if it is disputed either as to liability or amount or is not acted upon in a reasonable time.

23.4 A claim by Lessee shall be made in writing and submitted within six (6) years after accrual of the claim, to the Engineering Field Activity West (ATTN.: Code 624), Naval Facilities Engineering Command, 900 Commodore Drive, San Bruno, CA 94066-5006 herein called "Command", for a written decision. A claim by the Government against Lessee shall be subject to a written decision by the Command.

23.4.1 Lessee shall provide the certification specified in subparagraph 23.4.3 of this clause when submitting any claim:

(a) Exceeding $100,000; or
(b) Regardless of the amount claimed, when using:
(1)Arbitration conducted pursuant to 5 U.S.C. 575-580; or

(2) Any other alternative means of dispute resolution (ADR) technique that the agency elects to use in accordance with the Administrative Dispute Resolution Act (ADRA).

23.4.2 The certification requirement does not apply to issues in controversy that have not been submitted as all or part of a claim.

23.4.3 The certification shall state as follows: "I certify that the claim is made in good faith; that the supporting data are accurate and complete to the best of my knowledge and belief; that the amount requested accurately reflects the contract adjustment for which Lessee believes Government is liable; and that I am duly authorized to certify the claim on behalf of Lessee."

23.4.4 The certification may be executed by any person duly authorized to bind Lessee with respect to the claim.

23.5 For Lessee claims of $100,000 or less, the Command, must, if requested in writing by Lessee, render a decision within 60 calendar days of the request. For Lessee-certified claims over $100,000, the Command, must, within 60 calendar days, decide the claim or notify Lessee of the date by which the decision will be made.

23.6 The Command's, decision shall be final unless Lessee appeals or files a suit as provided in the Act.

23.7 At the time a claim by the Lessee is submitted to he Command or a claim by Government is presented to Lessee, the parties, by mutual consent, may agree to use ADR. When using arbitration conducted pursuant to 5 U.S.C. 575-580, or when using any other ADR technique that the agency elects to employ in accordance with the ADRA, any claim, regardless of amount, shall be accompanied by the certification described in Paragraph 23.4.3 of this clause, and executed in accordance with Paragraph 23.4.4 of this clause.

23.8 Government shall pay interest on the amount found due and unpaid by Government from (1) the date the Command receives the claim (properly certified if required), or (2) the date payment otherwise would be due, if that date is later, until the date of payment. With regard to claims having defective certifications, as defined in FAR 33.201, interest shall be paid from the date that the Command initially receives the claim. Simple interest on claims shall be paid at the rate, fixed by the Secretary of the Treasury, as provided in the Act, which is applicable to the period during which the Command receives the claim and then at the rate applicable for each 6-month period as fixed by the Treasury Secretary during the pendency of the claim.

23.9 Lessee shall proceed diligently with the performance of Lease, pending final resolution of any request for relief, claim, appeal or action arising under Lease, and comply with any decision of the Command.

All correspondence in connection with
this contract should include reference to:

N6247498RP00P99

24. **COVENANT AGAINST CONTINGENT FEES:**

Lessee warrants that no person or agency has been employed or retained to solicit or secure this Lease upon an agreement or understanding for a commission, percentage, brokerage or contingent fee, excepting bona fide employees or bona fide established commercial agencies maintained by Lessee for the purpose of securing business. For breach or violation of this warranty, Government shall have the right to annul this Lease without liability or in its discretion, to require Lessee to pay the full amount of such commission, percentage, brokerage or contingent fee.

25. **OFFICIALS NOT TO BENEFIT:**

No member of or delegate to Congress or Resident Commissioner, shall be admitted to any share or part of this Lease or to any benefit to arise therefrom, but this provision shall not be construed to extend to this Lease if made with a corporation for its general benefit.

26. **LIENS:**

Lessee shall promptly discharge or cause to be discharged any valid lien, right in rem, claim or demand of any kind, except one in favor of Government, which at any time may arise or exist with respect to the Leased Property or materials or equipment furnished therefor, or any part thereof, and if the same shall not be promptly discharged by Lessee, or should Lessee or sublessee be declared bankrupt or make an assignment on behalf of creditors, or should the leasehold estate be taken by execution, Government reserves the right to take immediate possession without any liability to Lessee or any sublessee. Lessee and any sublessee shall be responsible for any costs incurred by Government in securing clear title to its property.

27. **TAXES:**

Lessee shall pay or cause to be paid to the proper authority, when and as the same become due and payable, all taxes, assessments and similar charges which, at any time during the term of this Lease, may be imposed upon Lessee with respect to its operations of the Leased Premises. Title 10 United States Code, Section 2667(e) contains the consent of Congress to the Taxation of Lessee's interest in Leased Premises, whether or not the Leased Premises are in an area of exclusive federal jurisdiction. Should Congress consent to taxation of Government's interest in the property, this Lease will be renegotiated.

28 **SUBJECT TO EXISTING AND FUTURE EASEMENTS AND RIGHTS- OF-WAY:**

This Lease is subject to all outstanding easements and rights-of-way for location of any type of facility over, across, in and upon Leased Premises or any portion thereof and to the right of Government to grant such additional easements and rights-of-way over, across, in and upon Leased Premises as it shall determine to be in the public interest; provided that any such

additional easement or right-of-way shall be conditioned on the assumption by the grantee thereof of liability to Lessee for such damages as Lessee shall suffer for property destroyed or property rendered unusable on account of the grantee's exercise of its rights thereunder. There is hereby reserved to the holders of such easements and rights-of-way as are presently outstanding or which may hereafter be granted, to any workers officially engaged in the construction, installation, maintenance, operation, repair or replacement of facilities located thereon, and to any Federal, state or local official engaged in the official inspection thereof, such reasonable rights of ingress and egress over Leased Premises as shall be necessary for the performance of their duties with regard to such facilities.

29. **INGRESS-EGRESS AND PARKING:**

Lessee and any sublessees will be granted reasonable access to Leased Premises under this Lease. Such access will be coordinated with Government. As a condition, Lessee and any sublessees agree to adhere to all base rules and regulations regarding installation security, ingress, egress, safety and sanitation as may be prescribed from time to time by Government. Parking will be coordinated with Government.

30. **ADMINISTRATION:**

Except as otherwise provided for under this Lease, Government shall, under the direction of the Command, have complete charge of the administration of this Lease, and shall exercise full supervision and general direction thereof insofar as the interests of Government are affected.

31. **SURRENDER:**

Upon the expiration of this Lease or its earlier termination in accordance with the terms of this Lease, Lessee shall quietly and peacefully remove itself and its property from Leased Premises and surrender the possession thereof to Government. Government may, in its discretion, declare any property which has not been removed from Leased Premises upon expiration or termination provided for above, as abandoned property upon giving to Lessee an additional 30 calendar days notice after the termination date.

32 **INTEREST:**

32.1 Notwithstanding any other provision of this Lease, unless paid within thirty (30) calendar days from the due date, all amounts that become payable by Lessee to Government under this Lease (net any applicable tax credit under the Internal Revenue Code) shall bear interest from the date due. The rate of interest will be the Current Value of Funds rate published by the Secretary of Treasury pursuant to 31 U.S.C. 3717 (Debt Collection Act of 1982).

32.1.1 Amounts shall be, subject to applicable cure periods, due upon the earliest of:

32.1.1(a) the date fixed pursuant to this Lease,

32.1.1(b) the date of the first written demand for payment, consistent with this Lease, including demand consequent upon default termination,

32.1.1(c) the date of transmittal by Government to Lessee of a proposed supplemental agreement to confirm completed negotiations fixing the amount,

32.1.1(d) if this Lease provides for revision of prices, the date of written notice to Lessee stating the amount of refund payable in connection with a pricing proposal or in connection with a negotiated pricing agreement not confirmed by Lease supplement.

33. **AVAILABILITY OF FUNDS:**

33.1 The Government's obligations under this Lease are subject to the availability of funds appropriated for such purposes. Nothing in this Lease shall be interpreted to require obligations or payments by Government which are in violation of the Anti-Deficiency Act (31 USC 1341).

34. **SPECIAL PROVISIONS:**

34.1 Notwithstanding anything to the contrary contained in this Lease, there shall be no obligation for the payment or expenditure of money by Lessee under this Lease unless the Controller of the City and County of San Francisco first certifies, pursuant to Section 3.105 of the Charter of the City and County of San Francisco, that there is a valid appropriation from which the expenditure may be made and that unencumbered funds are available from the appropriation to pay the expenditure. Without limiting the foregoing, if in any fiscal year of City after the fiscal year in which the Term of this Lease commences, sufficient funds for the payment of any payments required under this Lease are not appropriated for any reason, then either party may terminate this Lease upon thirty (30) calendar days written notice and Lessee shall quietly and peacefully remove itself and its property from Leased Premises and surrender possession thereof to the Government. Notwithstanding the foregoing, this section 34.1 shall not in any way limit or otherwise impair Lessee's indemnification obligation arising under Sections 13.12 and 16 of this Lease.

34.2 Article 1.5 of the San Francisco Planning Code ("Code") requires the provision of bicycle storage at all properties leased by the City at no cost to the landlord, here the Government, and only if funds are available. In the event public and/or private donations, grants or other funds become available, at any time during this Lease, Lessee shall have the right to request that the Government amend this Lease to include space sufficient for the installation and operation of bicycle storage facilities. In the event of storage locker installation, the storage lockers shall be considered a trade fixture. Government, at no cost to Government, shall reasonably cooperate with City regarding the implementation of this Code.

All correspondence in connection with
this contract should include reference to:

N6247498RP00P99

34.3 The date on which this Lease shall become effective (the "Effective Date") is the date upon which (i) Lessee's Mayor and Board of Supervisors enact a resolution approving this Lease in accordance with all applicable laws and (ii) this Lease is duly executed by the parties hereto.

35. **LIST OF EXHIBITS:**

The following exhibits are a part of this Lease:

Exhibit A - Leased Premises
Exhibit B - Inventory of Personal Property
Exhibit C - Joint Inspection Report
Exhibit D - EBS and FOSL
Exhibit E - Utility Rates Schedule
Exhibit F - Safety and Health Hazards to be Corrected
Exhibit G - Government's Obligations to Abate Asbestos
Exhibit H - Pre-Approved Hazardous Materials

All correspondence in connection with
this contract should include reference to:
N6247498RP00r99

IN WITNESS WHEREOF, the parties hereto have, on the respective dates set forth below duly executed this Lease as of the day and year first above written.

WITNESS

THE UNITED STATES OF AMERICA

By: _____
Real Estate Contracting Officer

Date: 9/4/98

TREASURE ISLAND DEVELOPMENT AUTHORITY

By: _____

ANNEMARIE CONROY
Executive Director
Treasure Island Development
Authority Project

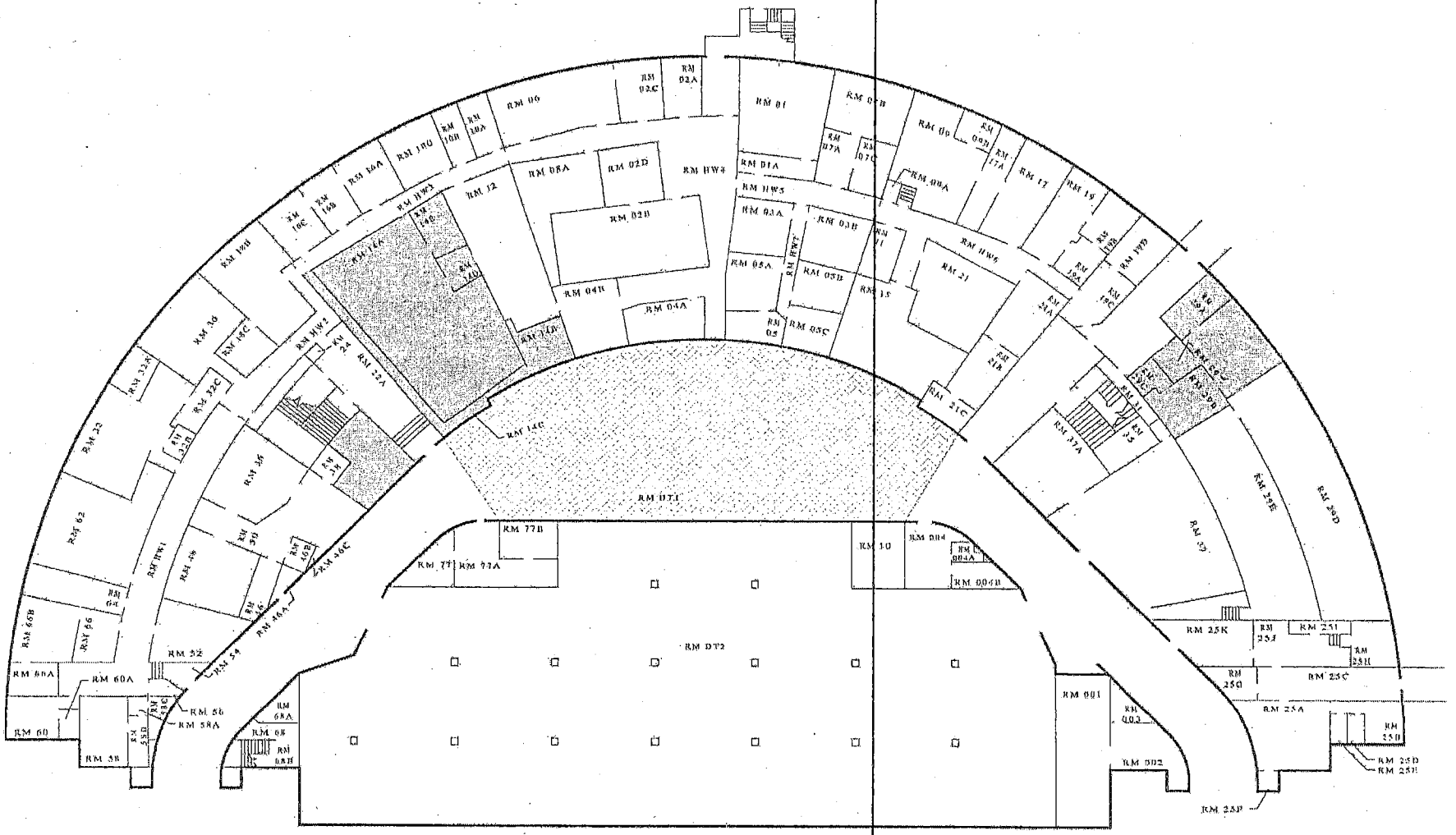
Title: _____

Date: 9-8-98

APPROVED AS TO FORM:

CITY ATTORNEY

623



BUILDING 1
BASEMENT PLAN

LEGEND

AREAS EXCLUDED FROM LEASE

GARAGE SPACE EXCLUDED FROM LEASE

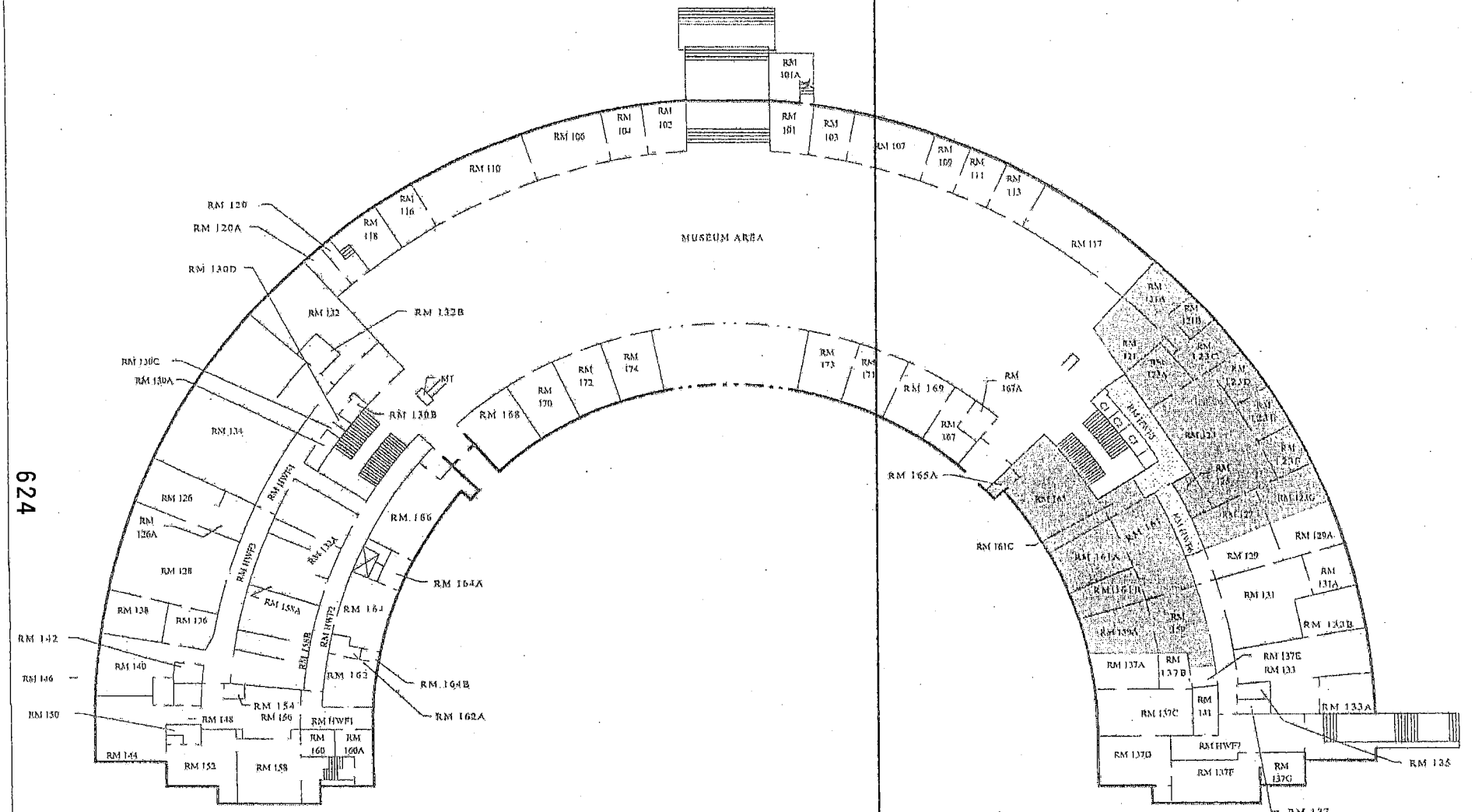
N

N6247498RP00P99

Sheet 2 of 4

TREASURE ISLAND

BUILDING 1
BASEMENT PLAN



BUILDING 1
FIRST FLOOR

LEGEND

AREAS EXCLUDED FROM LEASE

HALLWAY (CORRIDOR) EXCLUDED FROM LEASE

Sheet 3 of 4

TREASURE ISLAND

BUILDING 1
FIRST FLOOR PLAN

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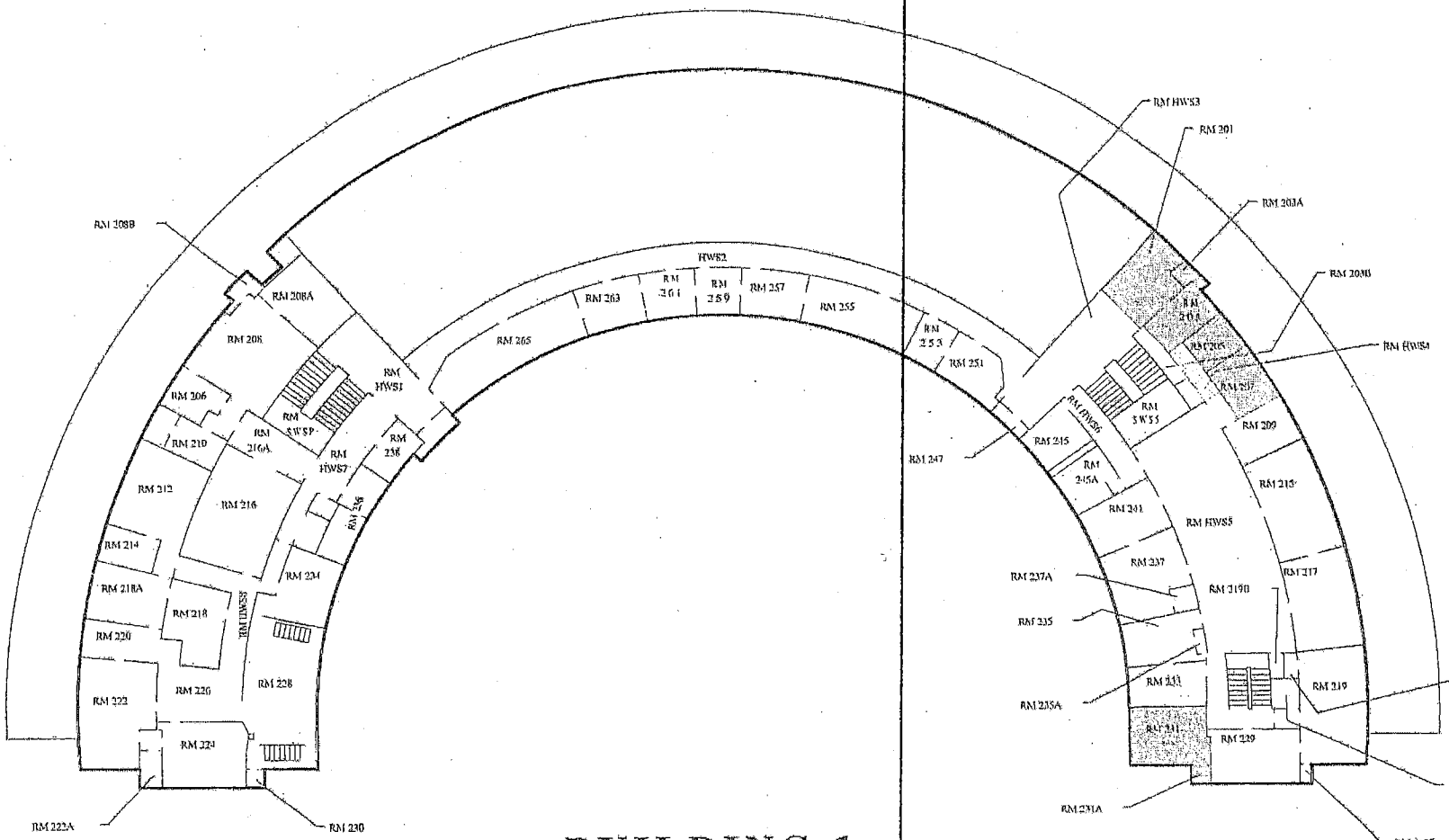


BUILDING 1
SECOND FLOOR PLAN

N6247498RP00P99

LEGEND

AREAS EXCLUDED FROM LEASE

HALLWAY (CORRIDOR) EXCLUDED FROM LEASE

Sheet 4 of 4

TREASURE ISLAND

BUILDING 1
SECOND FLOOR PLAN

N6247498RP00P99

EXHIBIT B

INVENTORY OF PERSONAL PROPERTY

To be completed at time of move-in by both parties.

EXHIBIT C

N6247498RP00P99

JOINT INSPECTION REPORT

To be completed at time of move-in by both parties.

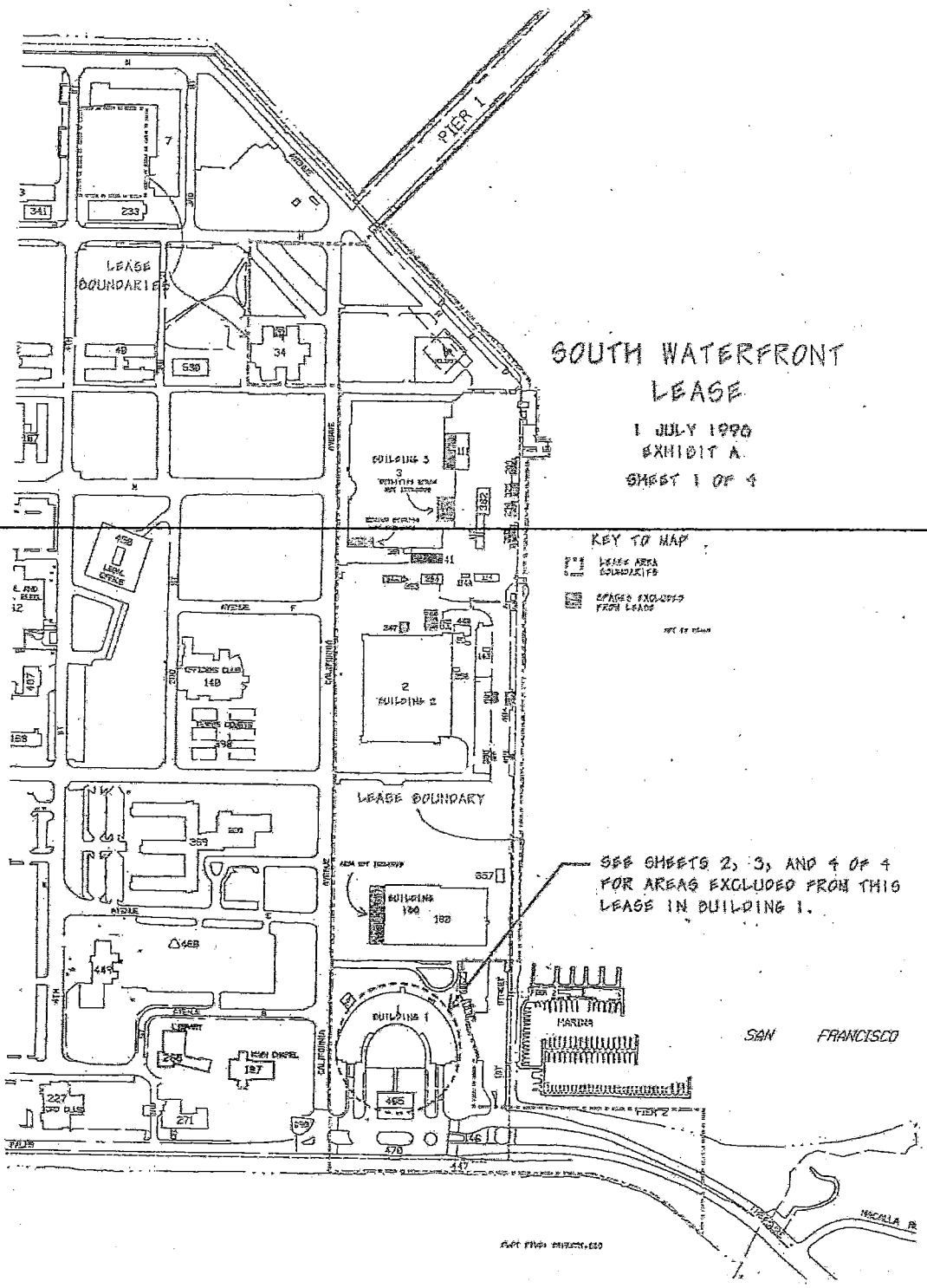
All correspondence in connection with
this contract should include reference to:

EXHIBIT D N6247498RP00P99

EBS AND FOSL

ATTACHED TO THE LEASE:

EBS:	ZONE 1
	ZONE 2
FOSL:	ZONE 1A
	ZONE 2A
	ZONE 2B
	PARCELS T005 AND T006
	PARCELS T007, T008, T010, T014 AND T116
CATEX:	SOUTH WATERFRONT AREA DATED 20 AUGUST 1998



SOUTH WATERFRONT LEASE

1 JULY 1990
EXHIBIT A
SHEET 1 OF 4

N624749BRP00996

N6247498RP00P99

EXHIBIT E

UTILITIES AGREEMENT
SUPPORTING LEASE OF
BUILDINGS 1, 180, 2, 3 AND 34
NAVAL STATION TREASURE ISLAND

ARTICLE 10, UTILITIES

(a) Portions of the Government's utilities systems serving the Station are located within the Premises and are reserved for use by the Government hereunder. The Lessee agrees to allow the Government or its utility suppliers reasonable access to the Premises for such operation, maintenance, repair and replacement of these utilities systems as may be required. In executing operation, maintenance, repair or replacement of these systems, the Government agrees to take all reasonable steps to limit interference with the use of the Premises by the Lessee or its approved sublessees or assignees.

(b) Prior to commencement of the term of this Lease, the Government and the Lessee will agree upon the terms and conditions for delivery of utility services by the Government to the Lessee which agreement will be appended as Exhibit "E" to this Lease. Conditions will include the following:

(1) Sewage discharge by the Lessee to the Government owned sewer system must meet all requirements of any applicable waste water discharge permit or contract issued by or between the Government and Bay Area Water Quality Management Board for discharge of sewage from the Station.

(2) Storm water discharged from the Premises must meet the requirements of permits issued to the Government in accordance with the National Pollution Discharge Elimination System (NPDES) for discharge of storm water from the Station. In addition, the Lessee agrees to participate in any storm water quality management program required by applicable local, State, or Federal regulations.

(c) The Lessee may, at its own cost, replace, remove, or relocate utility systems on the Premises in order to use the Premises, so long as there is no unreasonable interference with use by the Government of the utility systems and provided the Government has approved the replacement, removal or relocation in advance. Government approval shall not be unreasonably denied or delayed.

All correspondence in connection with
this contract should include reference to:

N6247498RP00P99

BACKGROUND

This exhibit implements the agreement stipulated in ARTICLE 10, of the Lease between the Lessee and the Government.

AGREEMENT

Pursuant to the requirements stipulated in ARTICLE 10 of said Lease, the Lessee and the Government hereby agree to the following with respect to Government-owned utility systems and to Government-provided utility services:

1. General

All utility services delivered at the premises shall be obtained from the City and County of San Francisco (CCSF) in accordance with provisions of Cooperative Agreement N624749720003 entered into by the Navy and CCSF. The Lessee agrees to conform to conditions of service which may be laid out by CCSF in addition to the general requirements of paragraphs 2.0 through 7.0, below. Assistance in obtaining service from CCSF can be obtained by contacting:

San Francisco Public Utilities Commission
410 Palm Ave., Building 1
Treasure Island
San Francisco, CA 94130

Attn.: Chuck Swanson, Utilities Project Manager
Phone: 415 274-0333

2.0 Metering

Electric, natural gas and water service will be authorized by the Government only after installation of meters which fully and exclusively measure consumption on the Premises. Prior to commencement of service the Lessee will insure that any additional metering which may be required has been installed by the San Francisco Public Utilities Commission (SFPUC), as the representative of the CCSF, or in accordance with SFPUC requirements and with written SFPUC authorization. Unless otherwise stipulated by the SFPUC, the volume of sewer discharge from the Premises will be assumed to equal water consumption as measured by applicable meters.

3.0 Commencement of Service

Service will commence after the Lessee, or any sublessee authorized by the Government, has established an account with the SFPUC and has made any advance service deposit which the SFPUC may require.

4.0 **Rates**

Until further notice by the Government or the SFPUC, the following rates are in effect:

Utility	**Unit**	**Charge Per Unit**
Electricity	MWH (million watt-hours)	$142.75
Natural Gas	MFC (1,000 cubic feet)	$ 6.00
Water	KGAL (thousand gallons)	$ 5.40
Sewer	KGAL	$ 5.75

5.0 **Billing and Payment**

Monthly bills for utilities services will be issued by the SFPUC to the Lessee or to a Government authorized sublessee as agreed upon between the Lessee and the SFPUC. Payment to the SFPUC is due within 10 working days of receipt of the bill. Adjustments to billed amounts may requested only after receipt of the billed amount by the SFPUC and may be granted by the SFPUC only after an error in the originally presented bill is clearly established and documented.

6.0 **Service to Sublessees**

As stated in paragraph 5.0, above, payment for utility service may be made directly to the SFPUC by a Government authorized sublessee, rather than by the Lessee, subject to agreement by the SFPUC. In the event any such agreement is made, the Lessee will insure that the applicable sublease contains provisions sufficient to bind the sublessee to all conditions of service given here as well as to any additional conditions of service which may be imposed by the SFPUC.

7.0 **Failure by Sublessees to Make Payment**

Any Government authorized sublessee obligated to make payment for utility services directly to the SFPUC will be considered in arrears if payment of any bill is not received within 30 working days of presentation to the sublessee by the SFPUC. In any such case, the liability for payment will immediately revert to the Lessee and will remain with the Lessee for the remainder of the term of this Lease.

N6247498RP00P99

EXHIBIT F

SAFETY AND HAZARDS TO BE CORRECTED

There are no safety or health hazards identified by the Government requiring correction.

N6247498RP00P99

EXHIBIT G

GOVERNMENT'S OBLIGATIONS TO ABATE ASBESTOS

No Asbestos Containing Materials identified as requiring abatement by Government.

N6247498RP00P99

EXHIBIT H

Pre-Approved Hazardous Materials

Building 2:

Gasoline
Motor Oil
Paint
Paint-Thinner
Propane
Solvents
Spray Paint

Building 3:

Paint Thinner
Absorbent with Solvents

Building 180:

Bin Primer Sealer
Bull's Eye Shellac
Lacquer Thinner
Paint Thinner
Denatured Alcohol
Krylon Spray Paints