File No. 241139 **Committee Item No.** 1
Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

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Completed by: Brent Jalipa **Date** November 26, 2024
Completed by: Brent Jalipa **Date** _____

[Lease Agreement - BAFC Team Operator, LLC - Training Facilities - Monthly Rent $27,750]

Resolution making CEQA findings and confirming the San Francisco Planning Department's determination that no additional environmental impacts that were not previously identified would occur as a result of the proposed lease; and approving and authorizing the execution of a 25-year lease agreement after approval of this Resolution with four consecutive five year extension options between the Treasure Island Development Authority and BAFC Team Operator, LLC for its training facilities on approximately 8.49 acres of land on Treasure Island with a minimum monthly base rent of $1 from the commencement of the lease until the occupancy date, and $27,750 per month thereafter; and to authorize the Treasure Island Director to enter into amendments or modifications to the lease and the parking lease terms that do not materially increase the obligations or liabilities to the City and are necessary to effectuate the purposes of the lease or this Resolution.

WHEREAS, The Treasure Island Development Authority (the "Authority") is responsible for the planning, redevelopment, reconstruction, rehabilitation, reuse and conversion of the lands formerly known as Naval Station Treasure Island on Treasure Island and Yerba Buena Island (collectively, the "Island") for the public interest, convenience, welfare and common benefit of the inhabitants of the City and County of San Francisco; and

WHEREAS, The Authority controls the real property consisting of approximately three hundred and seventy thousand (370,000) square feet (or approximately 8.49 acres) of land currently bounded by Macky Lane (Avenue H) on the East, Golden Bell Way (5th Street) on the South, (9th Street) on the North, and the Job Corps site to the West / the Future Passiflora Way Extension on Treasure Island (the "Site"); and

WHEREAS, The Authority, together with the San Francisco Planning Department, are the Lead Agencies responsible for the implementation of the California Environmental Quality Act ("CEQA," Public Resources Code, Section 21000 *et seq.*) for this area and have undertaken a planning and environmental review process for the development of the Base, including the Site, and provided for appropriate public hearings before the respective Commissions; and

WHEREAS, On April 21, 2011, the Planning Commission by Motion No. 18325, and the Authority Board of Directors, by Resolution No. 11-14-04/21, as co-lead agencies, certified the completion of the 2011 Final Environmental Impact Report ("FEIR") under CEQA and the regulations implementing CEQA ("CEQA Guidelines", Cal. Code of Regs. Title 14. Sections 15,000 *et seq*.), for the Treasure Island/Yerba Buena Island Project ("Project"), and unanimously approved a series of entitlement and transactional documents, including certain environmental findings under CEQA and a Mitigation Monitoring and Reporting Program ("MMRP"), which is incorporated herein by reference; and

WHEREAS, On June 7, 2011, in Motion No. M11-0092, the Board of Supervisors unanimously affirmed certification of the 2011 FEIR, and on that same date, the Board of Supervisors, in Resolution No. 246-11, adopted CEQA findings and the MMRP, and made certain environmental findings under CEQA; and

WHEREAS, Bay Football Club is an American professional women's soccer team based in the San Francisco Bay Area that was founded in April 2023, and is operated by BAFC Team Operator, LLC ("Bay FC"); and

WHEREAS, Bay FC began play in 2024 in the National Women's Soccer League, the highest level of professional women's soccer in the United States; and

WHEREAS, Bay FC currently has its training facilities at San Jose State University, and desires to construct a privately-funded, world-class, dedicated training facility for its

players with state-of-the-art features and amenities built specifically for professional women athletes; and

WHEREAS, Bay FC, in coordination with the Authority, the Office of Economic and Workforce Development, and the Planning Department identified the Site as a suitable location for Bay FC's training facilities; and

WHEREAS, In August 2024, Bay FC and the Authority entered into a Letter of Intent to negotiate and execute a lease agreement for the Site, and Authority staff presented the Letter of Intent to the Authority Board as an informational item at the Authority Board's October 9, 2024 meeting; and

WHEREAS, The Authority seeks authorization to enter into a 25-year lease, with four (4) consecutive five (5)-year options to renew (the "Lease"), for the development and use of the Site for Bay FC's training facilities, including up to three new, standard professional sized football practice pitches, an approximately 20,000-25,000 square foot building up to 25 feet in height to house indoor and outdoor athletic training facilities and athletic staff offices, accessory surface parking, and other related improvements ("Bay FC Improvements"), and a copy of the Lease is on file with the Clerk of the Board of Supervisors in File No. 241139; and

WHEREAS, The Planning Department reviewed the proposed Lease and has prepared a memorandum entitled Bay FC Training Facility on Treasure Island / 2007.0903E ("the 2024 Memorandum"), a copy of which is on file with the Clerk of the Board of Supervisors in File No. 241139 and is incorporated herein by reference; and

WHEREAS, The 2024 Memorandum concluded that the Lease as proposed is within the scope of the Project analyzed in the 2011 FEIR, and that there have not been any substantial changes in the Project, or to the circumstances under which the Project would be undertaken, nor has new information come to light that would alter the analysis or conclusions

of the 2011 EIR and require subsequent or supplemental environmental review under CEQA, Section 21166 and CEQA Guidelines, Section 15162; and

WHEREAS, The 2011 FEIR, the 2024 Memorandum and other Project-related files have been made available for review by the Planning Department, the Authority Board of Directors and the public, and those files are part of the record before Authority; and

WHEREAS, The Lease also allows Bay FC to use the Site for, among other things, hosting visiting teams for purposes such as co-training, scrimmaging and non-scheduled games, fan days, sponsor events, Bay FC team open houses, Bay FC team awards dinners, athletic tournaments, and private events, as well as community-facing activities, some of which may be revenue producing for Bay FC; and

WHEREAS, The Authority retains an option to terminate the Lease if the Site is no longer used as the primary training facility for a women's professional soccer team of the National Women's Soccer League or its successors, assigns or other comparable body; and

WHEREAS, The Lease provides Bay FC an option to expand the Site to include a second phase of improvements ("Phase II Improvements") including up to three (3) additional athletic fields, subject to the terms and conditions of the Lease; and

WHEREAS, The Authority and Bay FC have negotiated the terms of a separate lease for a property adjacent to the Site for use as parking to support the permitted uses under the Lease, which terms are outlined in an exhibit to the Lease (the "Parking Lease Terms"); and

WHEREAS, Under the Lease, Bay FC will pay a minimum monthly base rent of $1 from the commencement of the Lease until the Occupancy Date, as defined in the Lease, and $27,750 per month thereafter, with annual increases as set forth in the Lease, and Bay FC is entitled to a rent credit for demolition of Building 258 currently located on the Site, subject to the terms and conditions of the Lease; and

WHEREAS, On November 13, 2024, pursuant to Resolution No. 24-31-1113, the Authority Board of Directors (i) confirmed the San Francisco Planning Department's determination that no additional environmental impacts would occur as a result of the proposed Lease and no additional environmental analysis is required under CEQA at this time, (ii) approved the Lease (including the Parking Lease Terms) substantially in the form on file with Clerk of the Board of Supervisors in File No. 241139, and (iii) directed the Treasure Island Director to forward the Lease and the Parking Lease Terms to the San Francisco Board of Supervisors for its consideration and approval; now, therefore, be it

RESOLVED, That the Board of Supervisors has reviewed and considered the 2011 FEIR and the 2024 Memorandum; and, be it

FURTHER RESOLVED, That the Board of Supervisors confirms the San Francisco Planning Department's determination that no additional environmental impacts would occur as a result of the proposed Lease and no additional environmental analysis is required under CEQA at this time because, as a result of the Lease there are no substantial changes proposed to the Project; no substantial changes would occur with respect to the circumstances under which the Project is being undertaken; and no new information has become available, which was not known and could not have been known at the time the environmental impact report was certified as complete, which would require major revisions of the FEIR; and, be it

FURTHER RESOLVED, That the Board of Supervisors approves the Lease (including the Parking Lease Terms) substantially in the form on file with the Clerk of the Board of Supervisors in File No. 241139 and authorizes the Treasure Island Director to execute (i) the Lease in substantially the form on file with the Clerk of the Board of Supervisors and (ii) a to be negotiated parking lease based on the Parking Lease Terms in substantially the form on file with the Clerk of the Board of Supervisors; and, be it

FURTHER RESOLVED, That the Board of Supervisors hereby authorizes the Treasure Island Director to enter into any additions, amendments or other modifications to the Lease and the Parking Lease Terms that the Treasure Island Director determines in consultation with the City Attorney, are in the best interests of the Authority, that do not materially increase the obligations or liabilities of the Authority, that do not materially decrease the benefits of the Authority, and are necessary or advisable to complete the transactions that the Lease contemplates and effectuate the purpose and intent of this Resolution, such determination to be conclusively evidenced by the execution and delivery by the Treasure Island Director of the documents and any amendments thereto; and, be it

FURTHER RESOLVED, That within thirty (30) days of the Lease being fully executed by all parties, the Authority shall provide a final copy of the Lease to the Clerk of the Board for inclusion into the official file.

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Item 1 **File 24-1139**	**Department:** Treasure Island Development Authority (TIDA), Office of Economic & Workforce Development (OEWD)

EXECUTIVE SUMMARY

Legislative Objectives

- The proposed resolution would approve a ground lease between Treasure Island Development Authority (TIDA) as landlord and BAFC Team Operator, LLC (Bay FC) as tenant for approximately 370,000 square feet on Treasure Island for an initial term of 25 years, with four 5-year options to extend, and initial annual base rent of $333,000 ($0.90 per square foot annually) which is equal to $27,750 per month ($0.075 per square foot per month) as expressed in the lease, with two percent annual escalation.

Key Points

- Bay FC, a professional women's soccer team that was founded in 2023, has been looking for a site throughout the Bay Area to establish a permanent training and administration facility. Bay FC worked with City officials and identified a largely vacant site on Treasure Island that is planned for open space and adjacent to a future Sports Park. TIDA and Bay FC have agreed to a ground lease for the site.
- Under the lease, Bay FC is required construct three full-size soccer fields (two with natural grass and one with artificial turf) and an approximately 25,000 square foot building with training facilities and offices. The proposed initial annual base rent of $0.90 per square foot is greater than TIDA's minimum parameter rent of $0.60 per square foot for unpaved land. Bay FC would be responsible for demolishing an existing building on the premises, for which it would receive a rent credit, estimated to be approximately $1 million. Bay FC may expand the lease beginning in July 2030 by up to 7.5 acres to construct up to three additional fields as part of a larger future Sports Park on Treasure Island.

Fiscal Impact

- Under the proposed lease, Bay FC would pay initial annual base rent of $0.90 per square foot, or $333,000, with two percent annual escalation. Over the initial 25-year base rent, TIDA would receive approximately $10,666,090 in rental revenue. TIDA would also provide a rent credit to Bay FC for the demolition costs of Building 258, which is estimated to be approximately $1 million. This would reduce the anticipated revenues to approximately $9,666,090. Rent revenues would fund TIDA operating costs.
- If Bay FC extends the lease beyond the initial 25-year term, the rent for the first optional extension would be set at the fair market rate at that time.

Recommendation

- Approve the proposed resolution.

MANDATE STATEMENT

City Charter Section 9.118(c) states that any lease of real property for a period of ten years or more or that has revenue to the City of $1 million or more is subject to Board of Supervisors approval.

BACKGROUND

Bay FC is a professional women's soccer team in the National Women's Soccer League that was founded in 2023 and began play in 2024. Bay FC has been looking for a site throughout the Bay Area to establish a permanent training and administration facility. Bay FC worked with City officials to identify a site in San Francisco and identified a largely vacant parcel on Treasure Island that currently stores a soil stockpile for use in island construction and a small pre-existing building slated for future demolition. The island master plan identifies the site as future open space (a sports tournament facility or extension of the planned urban farm) and is adjacent to a future 40-acre Sports Park.

In August 2024, Treasure Island Development Authority (TIDA) and Bay FC representatives signed a Letter of Intent (LOI) to negotiate a ground lease to build a soccer training and administration facility on Treasure Island.[1]

DETAILS OF PROPOSED LEGISLATION

The proposed resolution would approve a ground lease between TIDA as landlord and Bay FC as tenant for an initial term of 25 years, with four 5-year options to extend, and initial annual base rent of $333,000 ($0.90 per square foot annually), which is equal to $27,750 per month ($0.075 per square foot per month) as expressed in the lease**,** with two percent annual escalation. The resolution also makes findings under the California Environmental Quality Act (CEQA) and confirms the Planning Department determination that no additional environmental impacts would occur.

The key terms of the proposed lease are shown in Exhibit 1 below.

[1] TIDA's Board of Directors have delegated authority to the TIDA Executive Director that allow leases to be awarded so long as they conform to parameter rents. There is no requirement in TIDA leasing policy for competitive solicitations to award leases as there is in Administrative Code Chapter 23.33.

Exhibit 1: Key Terms of Proposed Ground Lease

Premises	Approximately 370,000 square feet (8.5 acres), west of Avenue H between 5th and 9th Streets
Initial Term	25 years
Options to Extend	Four 5-year options to extend
Annual Base Rent	$333,000 ($0.90 per square foot) or $27,750 per month ($0.075 per square foot per month)
Rent Escalation	2% per year
Rent Credit	Rent credit equal to the cost of Building 258 demolition (estimated to be $1 million)
Tenant Improvements	Tenant must construct three soccer fields and 25,000 square foot training facility
Option to Expand	Between July 2030 and June 2037, premises may expand by 2.5 to 7.5 acres as part of the adjacent Sports Park development
Security Deposit	$55,500
Parking	TIDA and Bay FC to agree to separate off-site parking lease at same rental rate

Source: Proposed lease

Rent

TIDA sets annual parameter minimum rental rates for various types of properties under its authority. For unpaved land, the FY 2024-25 minimum rental rate is $0.05 per square foot per month, or $0.60 annually. According to Rich Rovetti, TIDA Deputy Director of Real Estate, the proposed annual rental rate of $0.90 per square foot is based on the minimum parameter rents and other recent ground leases on Treasure Island.

Rent Credit

Bay FC would be responsible for demolishing an existing building on the premises, which is currently occupied with commercial tenants but is in poor condition and will be vacated by March 1, 2025. TIDA would provide a rent credit for the demolition costs, which TIDA estimates to be approximately $1 million. TIDA and Bay FC have agreed to a separate off-site parking lease for approximately 100 parking spaces (approximately 26,000 square feet) on an adjacent parcel at the same rental rate as the main lease. Assuming the lease is fully approved in CY 2024, Bay FC would be able to access the site and begin improvements on or before June 30, 2025. TIDA and Bay FC anticipate that the improvements would be complete by February 1, 2027. Base rent (with credits) would be charged after the improvements are completed and Bay FC has been issued a Certificate of Occupancy, or no later than two years after the premises is delivered to Bay FC.

Tenant Improvements

Under the lease, Bay FC is required construct three full-size soccer fields (two with natural grass and one with artificial turf) and an approximately 25,000 square foot building with training facilities and offices, for its exclusive use. The estimated budget of the development is approximately $40 million. If the lease is terminated, the improvements would be owned by TIDA for future use.

Option to Expand

Under the proposed lease, Bay FC may expand its premises beginning in July 2030 by up to 7.5 acres to construct up to three additional fields as part of a larger future Sports Park on Treasure Island. The Sports Park is a 40-acre area in the Treasure Island master plan that will include regional public sports facilities and will be constructed as part of the island's development. The tenant's optional expansion in this area will be informed by a public planning and design process to identify sports uses and field layouts for the planned Sports Park area. TIDA will conduct the public planning process in collaboration with the master developer (Treasure Island Community Development), the public, and the existing sports users on the island along with Bay FC. TIDA and Bay FC would work collaboratively on the expansion plans before the option is executed. Any public fields constructed in the expansion premises would have a base rent of $1 per month, and any exclusive space would have the same rental rate as the main leased premises. The tenant would be responsible for all tenant improvement costs related to the optional space. The tenant may request a rent credit for site infrastructure improvement costs if the tenant elects to exercise the option before the horizontal improvements are constructed.

FISCAL IMPACT

Under the proposed lease, Bay FC would pay initial annual base rent of $0.90 per square foot, or $333,000, with two percent annual escalation (as expressed in the lease, the rent is $27,750 per month or $.075 per square foot per month). Over the initial 25-year base rent, TIDA would receive approximately $10,666,090 in rental revenue. TIDA would also provide a rent credit to Bay FC for the demolition costs of Building 258, which is estimated to be approximately $1 million. This would reduce the anticipated revenues to approximately $9,666,090. Rent revenues would fund TIDA operating costs.

If Bay FC extends the lease beyond the initial 25-year term, the rent for the first optional extension would be set at the fair market rate at that time within 175 percent of the base rent of the lease, with a 2 percent annual escalation thereafter.

RECOMMENDATION

Approve the proposed resolution.

LEASE No. 1,521

between

TREASURE ISLAND DEVELOPMENT AUTHORITY

as Landlord

and

BAFC TEAM OPERATOR, LLC,
a Delaware limited liability company

as Tenant

For the Lease of a portion of

Land Bounded by Macky Lane (Avenue H) on the East, Golden Bell Way (5th Street) on the South, (9th Street) on the North, and the Job Corps site to the West / the Future Passiflora Way Extension

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Treasure Island Naval Station
San Francisco, California

_____, 202XX

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EXHIBITS AND SCHEDULES

[ADD OTHER EXHIBITS]

TREASURE ISLAND LEASE

THIS LEASE (this "**Lease**"), dated for reference purposes only as of _____, 202XX, is by and between the **TREASURE ISLAND DEVELOPMENT AUTHORITY**, a California public benefit nonprofit corporation ("**Landlord**"), and **BAFC TEAM OPERATOR, LLC**, a Delaware limited liability company ("**Tenant**"). From time to time, Landlord and Tenant together are referred to in this Lease as the "**Parties**."

This Lease is made with reference to the following facts and circumstances:

A. Landlord owns portions of the property formerly known as the Naval Station Treasure Island and Yerba Buena Island (collectively, the "**Island**") and Landlord is responsible for the planning, redevelopment, reconstruction, rehabilitation, reuse and conversion of the Island for the public interest, convenience, welfare and common benefit of the inhabitants of the City and County of San Francisco. Landlord acquired portions of the Island from the U.S. Navy in accordance with the deed attached hereto as ***Exhibit A-1*** (the "**Navy Deed**").

B. A portion of the Island Landlord owns and controls includes approximately three hundred and seventy thousand (370,000) square feet of land currently bounded by Macky Lane (Avenue H) on the East, Golden Bell Way (5th Street) on the South, (9th Street) on the North, and the Job Corps site to the West / the Future Passiflora Way Extension (the "**Site**").

C. Tenant operates Bay Football Club, generally known as "Bay FC", an American professional women's soccer team based in the San Francisco Bay Area, founded in April 2023. Bay FC began play in 2024 in the National Women's Soccer League, the highest level of professional women's soccer in the United States. Bay FC currently has its training facilities at San Jose State University, and desires to construct on the Site, a privately-funded, world-class, dedicated training facility for its players with state-of-the-art features and amenities built specifically for professional women athletes.

D. Bay FC, in coordination with Landlord, the Mayor's Office of Economic and Workforce Development, and the Planning Department identified the Site as a suitable location for Bay FC's training facilities.

E. In August 2024, Bay FC and Landlord entered into a Letter of Intent to negotiate and execute a lease agreement for the Site, and Authority staff presented the Letter of Intent to the Treasure Island Development Authority Board of Directors as an informational item at its October 9, 2024 meeting.

F. Tenant desires to lease from Landlord, and Landlord is willing to lease to Tenant, the Site on the terms and conditions contained in this Lease.

NTD: recitals, including description of additional required City approvals.]

NOW THEREFORE, Landlord and Tenant hereby agree as follows:

1. BASIC LEASE INFORMATION.

The following is a summary of basic lease information (the "**Basic Lease Information**"). Each item below is deemed to incorporate all of the terms of this Lease pertaining to that item. If there is any conflict between the information in this Section and any more specific provision of this Lease, then the more specific provision will control.

Lease Reference Date:	_____, 2024
"**Landlord**":	TREASURE ISLAND DEVELOPMENT AUTHORITY, a California public benefit nonprofit corporation

"**Tenant**":	BAFC TEAM OPERATOR, LLC, a Delaware limited liability company
Leased "**Premises**" (***Section 2.1***):	Real Property consisting of approximately three hundred and seventy thousand (370,000) square feet of land currently bounded by Macky Lane (Avenue H) on the East, Golden Bell Way (5th Street) on the South, (9th Street) on the North, and the Job Corps site to the West / the Future Passiflora Way Extension, Treasure Island, San Francisco, California, all as legally described in ***Exhibit B-1*** and depicted on ***Exhibit B-2*** (the "Real Property") and the improvements currently located thereon and improvements that will be constructed during the Term.
"**Term**" (***Section 3.1***):	"**Commencement Date**": The day that the Premises is delivered to Tenant by Landlord in the Required Delivery Condition (as defined in the Landlord's Delivery Condition Letter). The Parties will confirm the Commencement Date in writing. "**Expiration Date**": 11:59 p.m. on the date immediately preceding the 25th anniversary of the Commencement Date (or the last day of the calendar month in which such date occurs if it is a date other than the last day). See ***Section 3.1***. "**Extension Option**": Tenant shall have four (4) consecutive five (5) year options to extend the Term subject to satisfaction of all the conditions set forth in ***Section 3.6***.
"**Early Access Demo Period**" (Section 3.3)	Landlord shall grant Tenant a temporary, non-exclusive, revocable license to access a portion of the Building 258 Area for a period of time prior to the Commencement Date in accordance with ***Section 3.3*** for Tenant to perform the Building 258 Demo Work.
"**Base Rent**" (***Section 4.1***):	For the period commencing on the Commencement Date to and including the date immediately prior to the Occupancy Date, the Base Rent shall be One Dollar ($1.00) per month. Commencing on the Occupancy Date, the Base Rent shall be Twenty-Seven Thousand Seven Hundred Fifty Dollars ($27,750.00) per month. Commencing on the Occupancy Date, the initial monthly Base Rent rate is equal to $0.075 psf/ month. The monthly Base Rent rate shall increase by two percent (2%) annually as set forth in ***Section 4.1***. In addition, Tenant may be entitled to the Base Rent Credit. See ***Sections 3.1***, ***4.1***, ***4.2*** and ***4.8***.
"**Security Deposit**" (***Section 4.7***):	$55,500

"**Permitted Use**" (***Section 6.1***):	Tenant shall use the Premises solely for the purpose of building and running a world-class professional athletic training facility, athletic tournament and administrative facility (including, for the avoidance of doubt, all of Tenant's associated teams, such as its reserve and academy teams and youth teams), accessory parking spaces for passenger vehicles (including light pick-up trucks), and for such uses ancillary or complementary to that purpose, some of which may be revenue producing, including, hosting invitational athletic events, hosting visiting teams for purposes such as co-training, scrimmaging and non-scheduled games, fan days, sponsor events, Bay FC team open houses, Bay FC team awards dinners, athletic tournaments, and private events, as well as community facing activities. Such use may include night-time or early morning practices, workouts and other similar uses that may entail use of artificial lighting for the outdoor training fields. Tenant has informed the Planning Department that its use of artificial lights may be from 5:00 a.m. to 11:00 p.m. Tenant understands that additional environmental review may be needed if the hours of operation of the artificial lights change from such hours and upon receiving environmental clearance, such additional hours will be part of the Permitted Use. Use of amplified sound, including coaching, play calling, announcements, and music in the outdoor areas of the Premises during practices shall constitute a Permitted Use. If the initial Premises is expanded to include the Phase II Space, ancillary uses may also include regular public access and use for athletics and made available to the public at no charge. Additional Permitted Uses of the Phase II Space shall be set forth in ***Section 2.1(f)*** below.
"**Initial Improvements**" (***Section 7.1***):	Tenant will construct up to three new, standard professional-sized football practice pitches, two in natural grass and one in artificial turf (that may include a covering across the field to protect it from the elements), a one-story building of approximately 20,000 square feet to house indoor athletic facilities and football operations staff, and other, related improvements, all as more specifically set forth in ***Section 7.1*** and the Tenant's Work Letter. The final dimensions and location of the single-story building and the protective covering over the artificial turf field shall be subject to the provisions of the Tenant's Work Letter.
"**Phase II Space**":	Tenant has an option to expand the Premises to include the Phase II Space as further described in ***Section 2.1(f)*** below.

Notice Address of Landlord (***Section 21.1***):	Treasure Island Development Authority Treasure Island Project Office One Avenue of Palms Building 1, 2nd Floor Treasure Island San Francisco, CA 94130 Attn: Robert P. Beck Treasure Island Director Email: robert.beck@sfgov.org with a copy to: Office of the City Attorney City Hall, Room 234 1 Dr. Carlton B. Goodlett Place San Francisco, CA 94102 Attn: Real Estate and Finance Team Leader
Notice Address of Tenant (***Section 21.1***):	BAFC TEAM OPERATOR, LLC, 609 Mission St, 6th Floor San Francisco, CA 94105 Attn: Brady Stewart/CEO Email: BStewart@bayfc.com With cc to: Legal Department Email. Legal@bayfc.com
Treasure Island/Yerba Buena Island Development Project:	Landlord and TREASURE ISLAND COMMUNITY DEVELOPMENT, LLC, a California limited liability company ("**Master Developer**") entered into that certain Amended and Restated Disposition and Development Agreement (Treasure Island/Yerba Buena Island), dated as of August 1, 2024, and recorded in the Official Records on September 11, 2024 as Doc. No. 2024070297 and such other documents (collectively, and as the same may be amended or modified, and including any new documents or agreements for the development of the project, the "**Development Documents**") related to development of the Treasure Island/Yerba Buena Island Development Project (the "**TI/YBI Project**"). The Premises are located within the boundaries of the TI/YBI Project and will be subject to construction impacts during much, if not all of the Term, as further described in ***Section 2.6***.

Off-Site Parking Lease:	Landlord and Tenant will enter into a separate 10-year lease (the "**Parking Lease**") for a triangular shaped property adjacent to the Premises and depicted on ***Exhibit B-2*** (the "**Parking Area**"). The Parking Lease will grant Tenant the right to use the Parking Area for parking to support the Permitted Use under this Lease, as set forth in the basic terms attached to this Lease at ***Exhibit C*** **(the "Parking Lease Terms")**. The Parties agree and understand that the number and location of available parking spaces for Tenant's use may change during the Term of this Lease, as more specifically set forth in the attached Parking Lease Terms.

[*Note: Additional provisions to be added before execution to comply with NWSL lease requirements.*]

2. PREMISES.

2.1. ***Leased Premises***.

(a) In consideration of the Rent payable by Tenant to Landlord and subject to all other terms and conditions of this Lease, Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, that certain Real Property described in the Basic Lease Information, together with all improvements now located on the Real Property and all the rights and privileges appurtenant to the Real Property and owned by Landlord, and the improvements to be hereafter constructed on the Real Property for the Permitted Uses (collectively, the "Premises").

(b) If Tenant uses or occupies space outside the Premises (the "**Encroachment Area**") without the prior written consent of Landlord, then upon written notice from Landlord ("**Notice to Vacate**"), Tenant will vacate the Encroachment Area and pay as additional rent for each day Tenant used or occupied the Encroachment Area, an amount equal to the rentable square footage of the Encroachment Area, multiplied by the higher of the (a) highest rental rate then approved by Landlord's Board of Directors for property similar to the Premises, or (b) then current fair market rent for the Encroachment Area, as reasonably determined by Landlord (the "**Encroachment Area Charge**"). If Tenant uses or occupies the Encroachment Area for a fractional month, then Landlord will prorate the Encroachment Area Charge for that period based on a thirty (30) day month. No acceptance by Landlord of the Encroachment Area Charge will be deemed a consent by Landlord to the use or occupancy of the Encroachment Area by Tenant or a waiver (or be deemed as waiver) by Landlord of any other rights and remedies of Landlord under this Lease (including Tenant's obligation to indemnify, defend, and hold Landlord harmless as set forth in the last paragraph of this ***Section 2.1***), at law or in equity. Tenant's use of any Parking Spaces located outside of the Premises pursuant to a separate agreement between Tenant and TIDA will not constitute a use or occupancy of any Encroachment Area.

(c) In addition to the foregoing amount, Tenant will pay to Landlord, as additional rent, Two Hundred Dollars ($200.00) upon delivery of the initial Notice to Vacate plus the actual cost associated with an inspection of the Encroachment Area. If Landlord determines during subsequent inspection(s) that Tenant has failed to vacate the Encroachment Area, then Tenant will pay Landlord, as additional rent, Three Hundred Dollars ($300.00) for each additional Notice to Vacate, if applicable, delivered by Landlord to Tenant following each inspection. Each of the foregoing charges will increase by One Hundred Dollars ($100) on the tenth (10th) anniversary of the Commencement Date and every ten (10) years thereafter. The Parties agree that the charges associated with each inspection of the Encroachment Area and delivery of each Notice to Vacate represent a fair and reasonable estimate of the administrative cost and expense that Landlord will incur to inspect the Encroachment Area and to issue a Notice

to Vacate. Tenant's failure to comply with the applicable Notice to Vacate and Landlord's right to impose the foregoing charges are in addition to and not in lieu of any and all other rights and remedies of Landlord under this Lease, at law or in equity. The amounts set forth in this ***Section 2.1*** will be due within three (3) business days following each Notice to Vacate and/or separate invoice relating to the actual cost associated with inspection(s) of the Encroachment Area.

(d) In addition to the rights and remedies of Landlord as set forth in the immediately foregoing two paragraphs of this ***Section 2.1***, the terms and conditions of the indemnity and exculpation provision set forth in ***Section 16*** below will also apply to Tenant's use and occupancy of the Encroachment Area as if the Premises originally included the Encroachment Area, and Tenant will additionally Indemnify Landlord from and against any and all Losses resulting from delay by Tenant in so surrendering the Encroachment Area including, without limitation, any Losses resulting from any claims against Landlord made by any tenant or prospective tenant founded on or resulting from the delay, and Losses to Landlord due to lost opportunities to lease any portion of the Encroachment Area to any tenant or prospective tenant.

(e) By placing their initials below, each party specifically confirms the accuracy of the statements made in this ***Section 2.1*** and the reasonableness of the amount of the charges described in this ***Section 2.1***.

Initials: _____ Landlord _____ Tenant

(f) Phase II Space Expansion Right.

(i) Phase II Space. Subject to the terms and conditions set forth in this ***Section 2.1(f)***, Tenant shall have the right to lease and incorporate into the Premises a portion of the space located in the Sports Park area of the TI/YBI Project and generally shown on ***Exhibit [ ]*** of this Lease consisting of approximately 2.5 acres for one (1) soccer field (the "**Primary Phase II Space**") and up to an additional approximately 5 acres for up to two (2) additional soccer fields (the "**Secondary Phase II Space**"). The Primary Phase II Space and the Secondary Phase II Space are collectively referred to as the "**Phase II Space**".

(ii) Terms. Commencing on July 1, 2030 to and including 11:59 p.m. on June 30, 2037 (the "Expansion Option Period"), and subject to the conditions set forth in ***Section 2.1(f)(iii)*** below, Tenant shall have the right to give Landlord written notice (the "**Expansion Notice**") that Tenant desires to lease the Phase II Space and, subject to the acreage limitations set forth above, stating the amount of space that Tenant desires to lease as the Phase II Space. The Expansion Notice shall specify (i) the general boundaries of the Phase II Space Tenant desires to lease, which Tenant may depict on a map or other simple drawing outlining the boundaries, (ii) Tenant's calculation of the amount of the Base Rent for such Phase II Space based on Tenant's estimate of the square footage of the Phase II Space and the rental rate(s) set forth in ***Section 2.1(f)(iv)*** below, and (iii) the anticipated date upon which Tenant desires Landlord to deliver possession of such Phase II Space to Tenant. Subject to ***Section 2.1(f)(iii)(1),*** if the Expansion Notice includes any portion of the Secondary Phase II Space, Landlord will notify Tenant what portion, if any, of the Secondary Phase II Space Tenant will be available for lease.

(iii) Phase II Space Expansion Conditions. Subject to ***Section 2.1(f)(vi)***, Tenant may not give the Expansion Notice unless the following conditions shall have been satisfied or waived at the time of the notice:

(1) The Parties shall have determined the specific location, maximum size, and boundaries of the future Sports Park on the Island that Tenant may lease as any Phase II Space by means of a public space planning process that may include consideration of the historical recreation programs on the Island and the anticipated needs and interests of the future residents and workers living or working on the Island (the "Public Planning Process").

The Parties anticipate that Landlord will initiate the Public Planning Process no later than July 1, 2027, and conclude the process no later than June 30, 2029. Tenant shall have the right to participate in the Public Planning Process;

(2) Landlord and Tenant shall have worked in good faith to mutually agree on the specific programming and use of the Phase II Space, including which fields will be open for public use and under what general operating hours, conditions, and reservation structure, provided however, with respect to any field that will be available substantially for public use, the general operating hours, conditions, and reservation structure may be determined through the Public Planning Process;

(3) Other than any Permitted Transfers, Tenant will not have Transferred its interest in this Lease or subleased materially all of the Premises to another party; and;

(4) Tenant agrees (A) to accept the applicable Phase II Space in its then as-is condition and affirms that ***Section 2.2*** will apply to such space as of the Phase II Commencement Date and (B) Tenant shall be solely responsible for the cost and performance of all work necessary to ready and improve the applicable Phase II Space for the Permitted Use, and that depending upon the progress of surrounding development and the Landlord's schedule for improvement of the surrounding Sports Park, this may include, without limitation, the demolition of existing facilities and surfaces; soil import and/or improvements; the rerouting or removal of utilities adjoining, passing through, or serving the applicable Phase II Space and all tenant improvements to the space. Notwithstanding the foregoing, Tenant and Landlord may agree that costs for certain work performed off-site that would generally be considered above normal site preparation work may be eligible for rent credit. If the Parties so agree on the type of work and associated costs that would be eligible for rent credit, then the Parties shall apply the process set forth in ***Section 4.8*** (Rent Credits; Building 258 Demo Work Rent Credit) with respect to determining the eligibility and amount of rent credit and the application of such rent credit as if the such work were the "**Building 258 Demo Work**". Subject to satisfaction of all of ***Section 4.8(b)***, from and after the first day of the next calendar month following Landlord's determination of the total eligible rent credits, Tenant may apply such credits against the monthly Base Rent applicable to the Phase II Space under this Lease until the earlier to occur of (i) the rent credit being fully applied, or (ii) the expiration or earlier termination of this Lease.

(iv) Rent for Phase II Space.

(1) Generally. Subject to ***Section 2.1(f)(iv)(2)-(3)***, Base Rent for the applicable Phase II Space shall be as follows: (a) from and after the date on which Landlord delivers possession of the applicable Phase II Space to Tenant (the "**Phase II Commencement Date**") to the earlier of (x) the date on which Tenant has received the first Certificate of Occupancy for the initial improvements on the applicable Phase II Space, including, without limitation, the playing fields and any buildings or other improvements that Tenant constructs on the applicable Phase II Space or (y) twenty-four (24) months following the applicable Phase II Commencement Date as may be extended due to Force Majeure (the "**Phase II Occupancy Date**"), the Base Rent shall be One Dollar ($1.00) per month; (b) from and after the applicable Phase II Occupancy Date, the Base Rent for the applicable Phase II Space will be at the same monthly rate per square foot as is then in effect for the initial Premises, including annual increases therein in accordance with the Base Rent schedule for the initial Premises.

(2) Base Rent for Public Use Fields in Phase II Space. Subject to ***Section 2.1(f)(iv)(3)***, the monthly Base Rent for any field(s) in the Secondary Phase II Space where the field(s) will be made substantially available to the general public for its use without charge or at minimal charge as determined through the public planning process (including sports leagues for baseball, Gaelic soccer, soccer, flag football, and rugby) (the "**Public Field**") shall be One Dollar ($1.00) per month.

(3) Base Rent for Phase II Space that Displaces Users.

Notwithstanding ***Section 2.1(f)(iv)(1)***, if any tenants of Landlord who lease space located within or partially within the Phase II Space will be displaced as a result of Tenant leasing the Phase II Space, then the monthly Base Rent rental rate per square foot for those portions of the Phase II Space shall be the greater of (x) the rate set forth in ***Section 2.1(f)(iv)(1)(b)***, or (y) one hundred twenty percent (120%) of the rate set forth in the displaced tenant's lease with Landlord, and such rental rate shall be in effect starting on the Phase II Commencement Date until the expiration date of the displaced tenant's lease after the Phase II Commencement Date (which expiration date would be the early termination date resulting from Landlord's exercise of any early termination right). Landlord agrees any long-term leases will expire on or before June 30, 2037 and will include an early termination right by Landlord at any time during the term of such lease to accommodate Tenant's option to expand the Premises to include the Phase II Space. Landlord shall provide Tenant with true and complete copies of any displaced tenant leases within twenty-five (25) business days after Tenant's request so that Tenant can confirm the rental rate under the preceding clause (y).

(v) Other Lease Terms; Lease Amendment. Commencing on the Phase II Commencement Date, all of the other terms and conditions of this Lease shall apply to the applicable Phase II Space, and Landlord shall promptly prepare, and Tenant shall promptly execute, an amendment to this Lease to add the applicable Phase II Space to the "Premises" upon the terms and conditions set forth herein. Other than the Base Rent, the expanded "Premises", additional insurance coverage and/or amounts as may be required by the City's Risk Manager for the applicable Phase II Space based on the type of uses for such space, all other terms and conditions of this Lease will remain unchanged unless agreed to between the parties.

(vi) Tenant's Sole Remedy if Public Planning Process Not Completed Timely. If the Public Planning Process has not been completed by June 30, 2029, then the condition in ***Section 2.1(f)(iii)(1)*** above shall be waived, and Tenant's sole remedy against Landlord for such failure is to proceed with either of the following two (2) options, in its sole discretion:

(1) Require Landlord to expand the Premises to include the Primary Phase II Space only on the date Tenant specifies in the Expansion Notice (but in no event earlier than one hundred eighty (180) days after the effective date of the Expansion Notice) (the "**Anticipated Delivery Date**"). If Tenant elects this remedy, then Tenant will be solely responsible for preparing the Primary Phase II Space for the Permitted Use, as specified in ***Section 2.1(f)(iii)(4)*** above (the "**Phase II Space Work**"), and all other work necessary to develop the Primary Phase II Space for the Permitted Use for the remainder of the Term.

(2) If Tenant elects not to choose the foregoing remedy described in clause (1), then Tenant's sole remedy is to delay sending the Expansion Notice until after the Public Planning Process has been completed, provided, the Expansion Option Period will be extended for each day the Public Planning Process is not completed beyond June 30, 2029.

2.2. ***As Is Condition of Premises***. The Parties acknowledge and agree that Landlord is obligated to deliver possession of the Premises in the Required Delivery Condition (as defined in the Landlord's Delivery Condition Letter attached hereto at ***Exhibit [ ]***). Accordingly, the Parties acknowledge and agree that although Tenant may dispute whether the Grading Work (as defined in the Landlord's Delivery Condition letter) of the Premises is Complete, the provisions of ***Section 2.2*** shall apply to the Premises as of the Effective Date.]

(a) Inspection of Premises. Tenant represents and warrants that Tenant has been afforded a full opportunity to inspect Landlord's records related to the Premises and has conducted a thorough and diligent inspection and investigation, either independently or through its officers, directors, employees, or agents, affiliates, subsidiaries, and contractors, and their

respective heirs, legal representatives, successors and assigns, and each of them ("Tenant's Agents"), of the Premises and the suitability of the Premises for Tenant's intended use. Tenant is fully aware of the needs of its operations and has determined, based solely on its own investigation, that the Premises are suitable for its operations and intended uses, subject to Landlord's performance of its obligations under the Landlord's Delivery Condition Letter which performance will be deemed to have been fully satisfied as of the Commencement Date if Tenant does not timely exercise its termination option set forth in ***Section 3.4(b)***. As part of its inspection of the Premises, Tenant acknowledges its receipt and review of the Seismic Report referenced in ***Section 2.2(c)*** below and the Joint Inspection Report.

(b) As Is; Disclaimer of Representations. Tenant acknowledges and agrees that, subject to Landlord's performance of its obligations under the Landlord's Delivery Condition Letter, which performance will be deemed to have been fully satisfied as of the Commencement Date if Tenant does not timely exercise its termination option set forth in ***Section 3.4(b)***, the Premises are being leased and accepted in their "AS IS, WITH ALL FAULTS" condition, without representation or warranty of any kind, and subject to all applicable laws, statutes, ordinances, resolutions, regulations, proclamations, orders or decrees of any municipal, county, state or federal government or other governmental or regulatory authority with jurisdiction over the Premises, or any portion thereof, whether currently in effect or adopted in the future and whether or not in the contemplation of the Parties, including without limitation the orders and citations of any regulatory authority with jurisdiction over life and safety issues concerning the Premises governing the use, occupancy, management, operation and possession of the Premises ("Laws"). Without limiting the foregoing, this Lease is made subject to all covenants, conditions, restrictions, easements, and other title matters affecting the Premises, or any portion thereof, whether or not of record. Tenant acknowledges and agrees that neither Landlord nor any of its officers, directors, employees, agents, affiliates, subsidiaries, licensees, contractors, boards, commissions, departments, agencies, and other subdivisions and each of the persons acting by, through or under each of them, and their respective heirs, legal representatives, successors, and assigns, and each of them ("Landlord's Agents"), and neither the City and County of San Francisco (the "City") nor any of its officers, directors, employees, agents, affiliates, subsidiaries, licensees, contractors, boards, commissions, departments, agencies, and other subdivisions and each of the persons acting by, through or under each of them, and their respective heirs, legal representatives, successors, and assigns, and each of them ("City's Agents") have made, and Landlord hereby disclaims, any representations or warranties, express or implied, concerning (i) title or survey matters affecting the Premises, (ii) the physical, geological, seismological or environmental condition of the Premises, including, without limitation, the matters described in the Seismic Report (as defined below) and including Hazardous Materials conditions with regard to the soils and any groundwater), (iii) the quality, nature or adequacy of any utilities serving the Premises, (iv) the feasibility, cost or legality of constructing any Alterations on the Premises if required for Tenant's use and permitted under this Lease, (v) the safety of the Premises, whether for the use by Tenant or any other person, including, but not limited to, Tenant's Agents or Tenant's clients, customers, vendors, invitees, guests, members, licensees, assignees, or subtenants and each of the persons acting by, through or under each of them, and their respective heirs, legal representatives, successors, and assigns, and each of them ("Tenant's Invitees"; Tenant's Invitees and Tenant's Agents, and each of them, may be referred to as "Tenant Parties"), or (vi) any other matter whatsoever relating to the Premises or their use, including, without limitation, any implied warranties of merchantability or fitness for a particular purpose, except as expressly provided herein.

(c) Seismic Report. Without limiting ***Section 2.2(b)*** above, Tenant expressly acknowledges for itself and the Tenant Parties that it received and read that certain report dated August 1995, entitled "Treasure Island Reuse Plan: Physical Characteristics, Building and Infrastructure Conditions" prepared for the Office of Military Base Conversion, Department of City Planning, and the Redevelopment Agency of the City and County of San Francisco (the "**Seismic Report**"), a copy of the cover page of which is attached hereto as ***Exhibit XX***. Tenant

has had an adequate opportunity to review the Seismic Report with expert consultants of its own choosing. The Seismic Report, among other matters, describes the conditions of the soils of the Island and points out that in the area of the Island where the Premises are located, an earthquake of magnitude 7 or greater is likely to cause the ground under and around the Premises to spread laterally to a distance of ten (10) or more feet and/or result in other risks. In that event, there is a significant risk that any structures or improvements located on or about the Premises, may fail structurally and collapse.

(d) Navy Deed. Tenant understands that the Navy made certain disclosures and retained certain rights in and to the Premises, as set forth in the Navy Deed. The Navy has the right to perform any remedial actions that may be necessary to protect human health and the environment with respect to any hazardous substance in or around the Premises in accordance with the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"), 42 U.S.C. Section 9620(h)(3)(A)(ii)(I), and has the right to take some or all of the Premises as may be needed in connection with those remedial actions. This Lease is subject and subordinate to the Navy's rights under the Navy Deed, and Tenant acknowledges that Landlord has the right to suspend or terminate this Lease, without payment to Tenant, if Navy requires use of the Premises as set forth in the Navy Deed.

(e) Release and Waiver. As part of its agreement to accept the Premises in their "As Is With All Faults" condition, Tenant, on behalf of itself and its successors and assigns, will be deemed to waive any right to recover from, and forever release, acquit and discharge, Landlord and the other Indemnified Parties of and from any and all Losses, whether direct or indirect, known or unknown, foreseen or unforeseen, that Tenant may now have or that may arise on account of or in any way be connected with (i) the physical, geotechnical or environmental condition in, on, under, above, or about the Premises including the matters described in the Seismic Report and any Hazardous Materials in, on, under, above or about the Premises (including soil and groundwater conditions), (ii) the suitability of the Premises for the development of Tenant's anticipated improvements and the Permitted Uses, (iii) any Laws applicable thereto, including Environmental Laws, (iv) damages by death of or injury to any Person, or to property of any kind whatsoever and to whomever belonging (including due to sea level rise or the proximity of the Premises to the Bay), and (v) goodwill, or business opportunities arising at any time and from any cause in, on, around, under, and pertaining to the Premises, including all claims arising from the joint, concurrent, active or passive negligence of any of Indemnified Parties, but excluding any intentionally harmful acts committed solely by Landlord or City.

Tenant expressly acknowledges and agrees that the amount payable or expended by Tenant hereunder does not take into account any potential liability of the Indemnified Parties for any consequential, incidental or punitive damages. Landlord would not be willing to enter into this Lease in the absence of a complete waiver of liability for consequential, incidental or punitive damages due to the acts or omissions of the Indemnified Parties, and Tenant expressly assumes the risk with respect thereto. Accordingly, without limiting any Indemnification obligations of Tenant or other waivers contained in this Lease and as a material part of the consideration of this Lease, Tenant fully RELEASES, WAIVES AND DISCHARGES forever any and all claims, demands, rights, and causes of action against the Indemnified Parties for consequential, incidental and punitive damages (including, without limitation, lost profits) and covenants not to sue for such damages, the Indemnified Parties arising out of this Lease or the uses authorized hereunder, including, any interference with uses conducted by Tenant pursuant to this Lease regardless of the cause, and whether or not due to the negligence of the Indemnified Parties.

Tenant understands and expressly accepts and assumes the risk that any facts concerning the claims released, waived, and discharged in this Lease might be found later to be other than or different from the facts now believed to be true, and agrees that the releases, waivers, and discharges in this Lease will remain effective. Therefore, with respect to the claims released,

waived, and discharged in this Lease, Tenant waives any rights or benefits provided by Section 1542 of the California Civil Code, which reads as follows:

> A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

Tenant agrees that the releases, waivers, and discharges given in and/or contemplated by this ***Section 2.2(e)*** includes known and unknown claims, disclosed and undisclosed, and anticipated and unanticipated claims pertaining to the subject matter of the releases, waivers, and discharges. Accordingly, Tenant hereby waives the benefits of Civil Code Section 1542, or under any other statute or common law principle of similar effect, in connection with the releases, waivers, and discharges contained in this ***Section 2.2(e)***.

Tenant Initials: _____

2.3. ***Energy Consumption Disclosure***. Tenant consents to Tenant's utility service providers disclosing energy use data for the Premises to Landlord for use under California Public Resources Code Section 25402.10, as implemented under California Code of Regulations Sections 1680–1685, and San Francisco Environment Code Chapter 20, as they may be amended from time to time ("Energy Consumption Reporting Laws"), and for such data to be publicly disclosed under the Energy Consumption Reporting Laws.

2.4. ***Flood Risk***.

As part of the National Flood Insurance Program ("NFIP"), Federal Emergency Management Agency ("FEMA") issued the final flood insurance rate maps ("FIRMs") for City and County of San Francisco on September 23rd, 2020, concluding a process that had been going on for more than a decade. This is the first time FEMA mapped flood risks for the City and County of San Francisco. FIRMs were later adopted by the Board of Supervisors through Ordinance 226-20 ("Floodplain Management Program Ordinance") and became effective on March 23, 2021.

Based on detailed studies of coastal flood hazards associated with San Francisco Bay and the Pacific Ocean, the final FIRMs designate portions of the City and County of San Francisco ("City"), including portions of the waterfront, Mission Bay, Islais Creek, Bayview Hunters Point, Hunters Point Shipyard, Candlestick Point, Treasure Island, San Francisco International Airport, and Ocean Beach, in coastal flood hazard areas. Referred to as "Special Flood Hazard Areas" ("SFHAs"), these areas are subject to inundation during a flood having a 1 percent chance of occurrence in any given year. They are shown as zones beginning with the letter "A" or "V" on the FIRMs. Port's structures over water, including piers and wharfs, are designated as Zone D (area of undetermined flood hazard). Zone D areas are not subject to Building Code and NFIP regulation. Historic structures are also exempted from compliance under the NFIP.

Additionally, the San Francisco Public Utilities Commission ("SFPUC") has prepared the 100-Year Storm Flood Risk Map to show areas where flooding is highly likely to occur on City streets during a 100-year rain storm. More information about this map, including a searchable web map, is available at https://www.sfwater.org/floodmaps. The SFPUC 100-Year Storm Flood Risk Map only shows flood risk from storm runoff and, floodproofing measures are not required at this time.

The SFPUC map does not consider flood risk in San Francisco from other causes, such as inundation from the San Francisco Bay or the Pacific Ocean, which are shown on the FIRMs that FEMA has prepared for San Francisco. Conversely, the FIRMs do not show flooding from storm

runoff in San Francisco, because our historical creeks and other inland waterbodies have been built over and are no longer open waterways. In most areas, the flood hazards identified by SFPUC and FEMA are separate. There are a few areas, however, near the shoreline where SFPUC's Flood Risk Zones overlap with the FEMA-designated floodplains.

The FIRM provides flood risk information for flood insurance and floodplain management purposes under the NFIP. The SFHAs, shown on the FIRM, may impact flood insurance requirements and rates, permitting, and building requirements for tenants and permit holders for property in designated SFHAs on the FIRM. Flood insurance is available through the NFIP and the private market. Flood insurance for Zone D areas is not available through NFIP. Pre-FIRM buildings of any type are not required to buy flood insurance. For more information on purchasing flood insurance, please contact your insurance agent.

City's Floodplain Management Program ordinance is based on NFIP requirements. Under the ordinance, the Port and the City must regulate new construction and substantial improvements or repairs to structures in SFHAs to reduce the risk of flood damage. The requirements may include elevation or floodproofing of structures and attendant utilities.

Additional information on this matter is available on the City/Port websites and FEMA website as listed below-

San Francisco Floodplain Management Program website:
https://onesanfrancisco.orgisan-francisco-floodplain-management-program
FEMA's NFIP website:
www.FloodSmart.gov.

2.5. ***Restrictions on Encumbering Landlord's Reversionary Interest***. Tenant may not enter into agreements granting licenses, easements or access rights over the Premises if the same would be binding on Landlord's reversionary interest in the Premises, or obtain changes in applicable land use laws or conditional use authorizations or other permits for any uses other than the Permitted Uses, in each instance without Landlord's prior written consent, which consent may be withheld in Landlord's sole discretion. The Parties recognize that for Tenant to carry out the Permitted Uses or subletting, it may be necessary or desirable to obtain additional use, zoning, regulatory or land use approvals or conditional use authorization relating to the Premises or building permits or business licenses. Landlord agrees, from time to time, to reasonably cooperate with Tenant, at no out of pocket cost to Landlord, in pursuing such aforementioned regulatory approvals or authorizations, including, but not limited to, executing documents, applications or petitions relating thereto, subject to the limitations of Section 10.2[and as set forth in the Tenant Work Letter].

2.6. ***Premises within Development Area***. Tenant acknowledges that the Premises are located within the Treasure Island/Yerba Buena Island Development Project (the "TI/YBI Project") area, which TI/YBI Project is creating a new San Francisco neighborhood, including homes offered at below-market rates, multiple public transportation connections, extensive parks and open space, sports park area, agriculture farm, public art, hotels, restaurants and more. Construction on the TI/YBI Project has commenced and is anticipated to continue throughout most if not all of the Term of this Lease. Construction of the TI/YBI Project and the activities associated with such construction will generate certain adverse impacts on construction of the Initial Improvements or any Alterations, use and/or operation of the Premises after construction, or may result in inconvenience to or disturbance of Tenant, its employees, and its Agents. Impacts may include, but are not limited to, increased vehicle and truck traffic, closure of traffic lanes, re-routing of traffic, traffic delays, loss of street and public parking (on a temporary or permanent basis), dust, dirt, construction noise and visual obstructions. Tenant hereby waives any and all claims against Landlord, City and their Agents arising out of such inconvenience or disturbance other than any claims arising out of or in connection with Landlord's gross negligence or willful misconduct.

2.7. ***No Light, Air or View Easement***. This Lease does not include an air, light, or view easement. Any diminution or shutting off of light, air or view by any structure which may be erected on lands near or adjacent to the Premises shall in no way affect this Lease or impose any liability on Landlord, entitle Tenant to any reduction of Rent, or affect this Lease in any way or Tenant's obligations hereunder.

3. TERM; EFFECTIVE DATE; EARLY ACCESS; EARLY TERMINATION RIGHTS.

3.1. ***Term of Lease***. The term of this Lease (the "Term") will commence on the Commencement Date and expire on the Expiration Date. The term "Rent Year", as used in this Lease, shall mean each and every consecutive twelve (12) month period during the Term of this Lease, with the first such twelve (12) month period ("Rent Year 1") commencing on the Occupancy Date and expiring on the last day of the twelfth (12th) month thereafter; provided, however, (i) if the Occupancy Date occurs on a date other than the first (1st) day of a calendar month, then Rent Year 1 shall be that partial month plus the first full twelve (12) months thereafter. Following the occurrence of the Commencement Date, Landlord and Tenant shall confirm in writing such date and the Expiration Date. Following the occurrence of the Occupancy Date, Landlord shall promptly prepare, and Tenant shall promptly execute, a certificate confirming the Occupancy Date; provided, however, that the Parties' failure to enter into such an amendment shall not affect the validity of this Lease or Tenant's obligation to pay the Base Rent hereunder.

3.2. ***Effective Date***. This Lease will become effective on the date (the "**Effective Date**") that is the latest to occur of all of the following: (a) the Parties' execution and delivery of this Lease, and (b) the approvals by Landlord's Board of Directors and by the City and County of San Francisco's Board of Supervisors, at duly noticed meetings, of this Lease have been Finally Granted. As used in this Lease, "Finally Granted" means (i) any and all applicable appeal periods for the filing of any administrative or judicial appeal challenging the issuance or effectiveness of any approval of this Lease, this Lease itself, and any related clearance under the California Environmental Quality Act ("**CEQA**") shall have expired and no such appeal shall have been filed, or if such an administrative or judicial appeal is filed, the approvals, this Lease or the related CEQA clearance, as applicable, shall have been upheld by a final decision in each such appeal without adverse effect on the applicable approval, this this Lease or the related CEQA clearance and the entry of a final judgment, order or ruling upholding the applicable approval, this Lease or the related CEQA clearance.

3.3. ***Early Access Demo Period***.

Prior to the Commencement Date, Tenant will have a temporary, non-exclusive, revocable license to access the Building 258 Area to perform the Building 258 Demo Work for a period of sixty (60) days commencing on satisfaction of all of the following conditions (the "**Early Access Demo Period**"):

(a) Tenant receives all regulatory approvals to commence the Building 258 Demo Work; and

(b) Landlord has satisfied the Building 258 Delivery Condition.

During the Early Access Demo Period all of the other terms and conditions of this Lease shall apply except Tenant shall not be obligated to pay Base Rent or Additional Rent during the Early Access Demo Period. The number of days in the Early Access Demo Period shall be extended for any Force Majeure delay or Landlord Delay. Upon the request of Tenant, Landlord's Director may, by written instrument, extend the Early Access Demo Period.

3.4. ***Early Termination Rights***.

Landlord and Tenant shall each have the right to terminate this Lease as set forth below. If this Lease terminates as a result of either Party's exercise of its respective termination right,

then (i) such termination date shall constitute the Expiration Date under this Lease; (ii) Landlord shall return the Security Deposit (less any sums used in accordance with this Lease) and any advance payment of rent (including, if this Lease terminates on a date other than the last day of a calendar month, the prorated rent for any remaining days in such month) to Tenant promptly and otherwise in accordance with this Lease; (iii) Tenant shall surrender the Premises to Landlord on the applicable termination date in the condition required under this Lease; and (iv) the Parties shall have no further rights or obligations under this Lease except for those rights and obligations that expressly survive the expiration or sooner termination of this Lease.

(a) Landlord Termination Right. Landlord will have the right to terminate this Lease, in Landlord's sole and absolute discretion, upon the occurrence of any of the following:

(i) Tenant has not Commenced Construction of the Initial Improvements beyond the Building 258 Demo Work within twenty-four (24) months after the Commencement Date (subject to extension for Force Majeure and Landlord Delay (as defined in the Tenant's Work Letter attached hereto at ***Exhibit [__]***) (such date, the "**Construction Commencement Deadline**"), or

(ii) the Premises are no longer used as the primary training facility for the Bay Area franchise team of the National Women's Soccer League (or another comparable governing body) or its successors or assigns ("**NWSL**").

To exercise its termination right, Landlord shall deliver at least sixty (60) days prior written notice to Tenant (the "**Landlord's Termination Notice**"), and this Lease shall automatically terminate on the date that is one hundred eighty (180) days after the date of Landlord's delivery of the Landlord's Termination Notice (the "**Landlord's Termination Date**"). Notwithstanding the foregoing, with respect to Landlord's exercise of its termination right if Tenant has not Commenced Construction of the Initial Improvements by the Construction Commencement Deadline only, if Tenant (i) Commences Construction of the Initial Improvements and diligently pursues Completion of the same, or (ii) agrees that it will commence payment of Monthly Rent starting on the sixtieth (60th) day following delivery of the Landlord's Termination Notice (subject to the application of any rent credits that may otherwise be due to Tenant pursuant to ***Section 4.8*** (below) as a result of performing the Building 258 Demo Work) until the earlier of the date Tenant Commences Construction of the Initial Improvements or termination of this Lease, then Landlord's Termination Notice shall be null and void; provided, however, that if Tenant has not Commenced Construction of the Initial Improvements on or before the last day of the thirty-sixth (36th) full calendar month following the date on which Tenant commenced paying Monthly Rent pursuant to this sub-clause (ii), then Landlord shall have the right to terminate this Lease any time thereafter effective on the date that is ten 10) days after written notice to Tenant. Tenant will not be entitled to any credit, reimbursement or payment for any unapplied or outstanding rent credits that may be due to Tenant as of the date of such termination of this Lease by Landlord. The foregoing right of Landlord to terminate this Lease shall be Landlord's sole remedy for such delay in Tenant's commencement of constructions.

(b) Tenant's Termination Right. Tenant shall have the right to terminate this Lease without penalty as follows (each a "Tenant Termination Condition"):

(i) if the Commencement Date has not occurred on or before the Completion Deadline (as set forth in the Landlord's Delivery Condition Letter), as may be extended in accordance with the Landlord Delivery Condition Letter or by Tenant in its sole discretion;

(ii) Pursuant to the express provisions of the Tenant's Work Letter];

(iii) if Tenant ceases to be a franchise team for the "Bay Area" (defined as the area located within a seventy-five (75) mile radius of either PayPal Park located

at 1123 Coleman Avenue, San Jose, California or the location of a new or different stadium in one of the nine Bay Area counties if Tenant relocates the majority of its home games to another such stadium (the "Bay Area Radius")) or relocates its home stadium to an area outside the Bay Area Radius, it being agreed that the Bay Area Radius is subject to modification by mutual agreement between Tenant and the NWSL, in which case such new radius shall constitute the Bay Area Radius under this Lease;

(iv) at any time after the tenth (10th) anniversary of the Commencement Date (or if any of the Phase II Space is included within the Premises, at any time after the tenth (10th) anniversary of the Phase II Commencement Date).

To exercise its termination right, Tenant shall deliver written notice to Landlord within sixty (60) days after the occurrence of the applicable Tenant Termination Condition (the "Tenant's Termination Notice"), and, if Tenant timely gives the Tenant's Termination Notice, then this Lease shall automatically terminate on the date set forth in such notice, which date shall not be earlier than thirty (30) days after the date of Landlord's receipt of the Tenant's Termination Notice (the "Tenant's Termination Date"). The foregoing right of Tenant to terminate this Lease shall be Tenant's sole remedy if the Commencement Date has not occurred by the Completion Deadline, as may be extended in accordance with the Landlord Delivery Condition Letter or by Tenant in its sole discretion.

3.5. ***No Relocation Assistance***. To the extent allowed by applicable Law, Tenant hereby waives any and all rights, benefits or privileges of the California Relocation Assistance Law, California Government Code §§ 7260 et seq., or under any similar law, statute or ordinance now or hereafter in effect.

3.6. ***Option to Extend Term***.

(a) Landlord grants to Tenant four (4) consecutive options (each, an "Extension Option") to extend the Term for a period of five (5) years each (each, an "Extension Term") in accordance with the terms of this ***Section 3.6***. If Tenant does not exercise an Extension Option, then any future Extension Option shall be null and void.

(b) Tenant must satisfy all of the following conditions for any Extension Option to be effective:

(i) No Event of Default by Tenant shall exist at the time of Tenant's exercise of an Extension Option (nor shall there exist any facts or circumstances that, with the giving of notice or the passage of time or both, would constitute such an Event of Default by Tenant);

(ii) Tenant has not made a Transfer (other than a Permitted Transfer);

(iii) Tenant continues to be a franchise team for the Bay Area of NWSL at the time Tenant exercises the applicable Extension Option and at commencement of the applicable Extension Term; and

(iv) With the exception of the first Extension Option, Tenant has exercised the immediately prior Extension Option.

(c) Tenant may exercise an Extension Option by providing Landlord with written notice to exercise an Extension Option (each an "Option Notice") no less than One Hundred Eighty (180) days prior to the applicable expiration date of the then-current term (each an "Option Notice Deadline"). If Tenant exercises an Extension Option hereunder all references to the Term in this Lease shall include the Extension Term, and all of the terms, covenants and conditions of this Lease shall continue in full force and effect during the applicable Extension Term, except that (i) the Base Rent payable by Tenant during the applicable Extension Term for the Premises shall be as calculated in accordance with ***Section 3.6(d)*** below, and (ii) Tenant shall only have the number of Extension Options remaining after the exercise of the then-current

Extension Option (e.g., after Tenant's exercise of the first Extension Option, Tenant shall have only three (3) remaining Extension Options). Each Extension Term shall commence immediately following the expiration of the prior Term then in effect.

(d) The Base Rent for the Premises during the first Extension Term shall be the prevailing market rental rate for Comparable Space on City, Port or TIDA property for a term commencing on or about the commencement date of the first Extension Term (the "Market Rate") but in no event shall the Base Rent for the first year of the first Extension Term be greater than one hundred seventy five percent (175%) of the base rent in the final year (Lease Year 25) of the Initial Term. For the second Rent Year of the first Extension Term and for each Rent Year thereafter (including each year of any additional Extension Options), the Base Rent shall increase by two percent (2%) per year. As used in this ***Section 3.6***, "Comparable Space" shall mean open space for recreation, including for any uses similar to the Permitted Use, comparable to those portions of the Premises that are open space that is (i) comparable in size, location, and quality to the Premises; and (ii) leased for a term comparable to the applicable Extension Term. The Market Rate shall be determined as if the Premises were not improved with the Initial Improvements. Comparable Space will not include any leases or other agreements entered into by TIDA, Port or other City agency that are discounted due to the public nature of such use.

(e) The Base Rent for the First Extension Term shall be determined as follows:

(i) If Tenant provides Landlord with its notice of exercise pursuant to subparagraph (b) above, then, Tenant shall include with its notice Tenant's good faith written proposal of the Market Rate and market data to support its proposal of the Market Rate. Within thirty-five (35) business days after receipt of Tenant's proposal, Landlord shall notify Tenant in writing (A) that Landlord accepts Tenant's proposal or (B) that Landlord disputes Tenant's determination of the Market Rate and the parties will determine the Market Rate in accordance with Subparagraphs (i)(2) through (4) below. If Landlord does not give Tenant a timely notice in response to Tenant's proposal, then it will be deemed as if Landlord disputes Tenant's determination of the Market Rate and the parties will determine the market Rate in accordance with Subparagraphs (i)(2) through (4) below.

(1) If Landlord elects (or is deemed to have elected) to submit the determination of the Market Rate to Qualified Brokers, then Landlord and Tenant shall first negotiate in good faith in an attempt to determine the Market Rate without arbitration. If Landlord and Tenant are able to agree within thirty (30) days following the delivery of Landlord's notice to Tenant electing arbitration, then such agreement shall constitute a determination of the Market Rate for purposes of this Section, and the Parties shall immediately execute confirmation of the Base Rent for the first Extension Term (but the failure to execute such confirmation shall not affect the extension of the Term and the determination of the Market Rate). If Landlord and Tenant are unable to agree on the Market Rate within such negotiating period, then within five (5) days after the expiration of such negotiating period, Landlord shall provide Tenant with Landlord's good faith written proposal of the Market Rate. If the higher of Landlord's and Tenant's proposals is not more than one hundred twenty percent (120%) of the lower, then the Market Rate shall be the average of the two. Otherwise, the dispute shall be resolved in accordance with Subparagraphs (3) and (4) below.

(2) Within seven (7) days after the exchange of proposals, the Parties shall each select an independent real estate broker with at least ten (10) years of experience in leasing land similar to the Premises in San Francisco (a "Qualified Broker"). Within ten (10) days thereafter the two appointed Qualified Brokers will select an independent third Qualified Broker who will select the Market Rate. If one party fails to select a Qualified Broker, then the Qualified Broker chosen by the other party shall select the Market Rate. For clarification, "independent real estate broker" as used in this provision shall mean a broker that

has no then-existing brokerage agreement or former brokerage agreement that is less than two years old with either Landlord or Tenant.

(3) Within seven (7) business days after submission of the matter to the sole Qualified Broker, such party shall determine the Market Rate by choosing whichever of the proposals submitted by Landlord and Tenant the sole Qualified Broker judges to be more accurate. The sole Qualified Broker shall notify Landlord and Tenant of its decision, which shall be final and binding. The fees of the Qualified Brokers will be split by the parties 50/50. Each party shall pay the fees of its respective counsel and the fees of any other consultants such party utilizes with respect to such party's determination of the Market Rate.

(4) Until the matter is resolved by agreement between the Parties, or a decision is rendered by the sole Qualified Broker pursuant to this ***Section 3.6***, Base Rent rate during the Extension Term shall be at a rate equal to the average of Landlord's and Tenant's determinations of the Market Rate. Within thirty (30) days following the resolution of such dispute by the parties or the decision of the sole Qualified Broker, as applicable, Tenant shall pay to Landlord, or Landlord shall credit to Tenant against future Base Rent, the amount of any deficiency or excess, as the case may be, in the Base Rent theretofore paid.

(f) Notwithstanding anything to the contrary in this Lease, at Landlord's election the Extension Options provided herein shall be null and void and Tenant shall have no right to renew this Lease pursuant thereto if any of the conditions set forth in ***Section 3.6(b)*** is not satisfied.

(g) The Parties acknowledge and agree that the rights and obligations of each Party to determine the Market Rate pursuant to this ***Section 3.6*** are material consideration for this Lease, and that neither Party would enter into this Lease without such rights and obligations. Accordingly, the Parties agree that they shall not challenge, in a court of law, by alternative dispute resolution or otherwise, the enforceability of this Section or seek to have the Market Rate determined by another means, including seeking redress in a court of law or by alternative dispute resolution. Landlord and Tenant agree that they will abide by and perform the determination rendered by the Qualified Broker pursuant to this ***Section 3.6***, and that judgment on such determination may be entered in any court of competent jurisdiction.

4. RENT; SECURITY DEPOSIT.

4.1. ***Base Rent***. Throughout the Term Tenant will pay to Landlord Base Rent in the amount set forth in the Basic Lease Information and this Lease. Tenant will pay the Base Rent to Landlord without prior demand and without any deduction, setoff, or counterclaim whatsoever, on or before the first day of each month, in advance, at the Notice Address of Landlord provided in ***Section 21.1*** below or as otherwise designated by Landlord in writing. If the Commencement Date occurs on a date other than the first day of a calendar month, or the Lease terminates on a day other than the last day of a calendar month, then the monthly payment of Base Rent for the partial month will be prorated based on a thirty (30) day month. As used in this Lease, the term "**Occupancy Date**" shall mean the earlier to occur of (i) the date that is the second anniversary of the Commencement Date (as such second anniversary date may be extended by Force Majeure or Landlord Delay as set forth in the Tenant's Work Letter), or (ii) the date on which Tenant has obtained the first Certificate of Occupancy for the Initial Improvements (as defined in the Tenant's Work Letter).

4.2. ***Adjustments in Base Rent***. If the Occupancy Date occurs prior to the date that is the second anniversary of the Commencement Date, then effective as of such Occupancy Date, the One Dollar ($1.00) per month Base Rent shall be increased to Twenty-Seven Thousand Seven Hundred Fifty and No/100 Dollars ($27,750.00) per month (equal to $0.075/psf), prorated to reflect any partial month in which such Occupancy Date occurs. If Tenant has already paid the monthly Base Rent for the month in which such increase occurs, then Tenant shall have thirty (30) days to pay to Landlord the difference in the increased monthly Base Rent for such month.

On the first Day of each Rent Year, the Base Rent will increase by two percent (2%) as set forth in the Basic Lease Information.

4.3. ***Additional Charges***. In addition to Base Rent, Tenant will pay all other charges related to the Premises otherwise payable by Tenant to Landlord under this Lease, including, without limitation, all late charges and default interest attributable to late payments and/or defaults of Tenant, all utility charges, and any amounts other than Base Rent that may become due and payable by Tenant under this Lease (together, the "Additional Charges"). Together, Base Rent and Additional Charges are referred to as the "Rent."

4.4. ***Late Charge***. If Tenant fails to pay any Rent within ten (10) days after the date it is due, then the unpaid amount will be subject to a late payment charge equal to five percent (5%) of the unpaid amount in each instance. The late payment charge has been agreed upon by Landlord and Tenant, after negotiation, as a reasonable estimate of the additional administrative costs and detriment that Landlord will incur as a result of the failure by Tenant to timely pay Rent, the actual costs thereof being extremely difficult if not impossible to determine, but no payment by Tenant of any late charge will limit Landlord's rights for Tenant's default of this Lease, whether at law or in equity.

4.5. ***Default Interest***. If any Rent is not paid within ten (10) days following the due date, then the unpaid amount will bear interest from the due date until paid at ten percent (10%) per year ("Default Rate"). However, interest will not be payable on (a) late charges incurred by Tenant, or (b) any amounts on which late charges are paid by Tenant to the extent the interest would cause the total interest to be in excess of what is permitted by Law. Payment of interest will not excuse or cure any default by Tenant, and no payment by Tenant of any interest charge will limit Landlord's rights for Tenant's default of this Lease, whether at law or in equity.

4.6. ***Costs of Collection***. In addition to any interest or late charges, if Tenant does not pay Rent in immediately available funds or by good check, then Tenant will pay to Landlord immediately upon demand as Additional Charges the amount of any fees, charges, or other costs reasonably incurred by Landlord, including, but not limited to, dishonored check fees and any costs of collection.

4.7. ***Security Deposit***. Tenant will pay to Landlord upon execution of this Lease a security deposit in the amount set forth in the Basic Lease Information as security for the faithful performance of all terms, covenants, and conditions of this Lease. Tenant waives the provisions of California Civil Code section 1950.7(c). Tenant agrees that Landlord may (but is not required to) apply the security deposit in whole or in part to remedy or attempt to remedy any damage to the Premises caused by Tenant, or Tenant Parties, or any failure of Tenant to perform any other terms, covenants, or conditions contained in this Lease, without waiving any of Landlord's other rights and remedies hereunder or at Law or in equity. If Landlord uses any portion of the security deposit to cure any Event of Default by Tenant, Tenant will immediately replenish the security deposit to the original amount, and Tenant's failure to do so within ten (10) days after Landlord's notice will constitute a material Event of Default under this Lease. Landlord's obligations with respect to the security deposit are solely that of debtor and not trustee. Landlord will not be required to keep the security deposit separate from its general funds, and Tenant will not be entitled to any interest on the deposit. The amount of the security deposit will not be deemed to limit Tenant's liability for the performance of any of its obligations under this Lease. Nothing contained in this Section shall in any way diminish or be construed as waiving any of Landlord's other remedies set forth in this Lease or provided by law or equity. To the extent that Landlord is not entitled to retain or apply the security deposit under this ***Section 4.7***, Landlord will return the security deposit to Tenant within forty-five (45) days after the expiration or earlier termination of this Lease.

4.8. ***Rent Credits; Building 258 Demo Work Rent Credit***.

(a) Building 258 Demo Work Rent Credit. Tenant shall be entitled to the Building 258 Demo Work Rent Credit as provided in this Lease subject to the following conditions.

(i) Prior to commencing the Building 258 Demo Work, Tenant will obtain no less than three (3) bids for the Building 258 Demo Work. Tenant will notify Landlord of the bid amounts and Tenant will select the lowest bid unless Tenant can reasonably demonstrate that the contractor with the higher bid is better able to timely perform and complete the Building 258 Demo Work in accordance with the Tenant's Work Letter.

(ii) Within ninety (90) days after Completion of the Building 258 Demo Work, Tenant shall deliver to Landlord an itemized statement of the actual costs expended by Tenant on the Building 258 Demo Work, accompanied by documentation reasonably satisfactory to Landlord evidencing all said expenditures. Such appropriate proofs of expenditure shall include, without limitation, (i) copies of canceled checks, (ii) copies of executed contracts, (iii) invoices for labor, services (including project management, advisory and consulting services, and design and engineering professionals) and/or materials marked "Paid"; or otherwise evidenced as having been paid; bills of lading marked "Paid"; other bills, contracts and receipts for goods, materials, labor, and/or services marked "Paid", (iv) and such other proofs of expenditure as may be reasonably approved by Landlord, and (v) unconditional lien waivers from all the general contractors and all subcontractors performing significant trades and suppliers providing significant supplies for the particular items of the Building 258 Demo Work covered by the rent credit request. All such proofs of expenditure must be attributable directly to work or materials performed or removed in connection with the Building 258 Demo Work. Costs expended for the Building 258 Demo Work that are eligible for rent credits shall not include any items other than those specified in the Tenant's Work Letter for the Building 258 Demo Work and shall not include items related to any of the other parts of the Initial Improvements or any other items, nor any fees, exactions, impositions, or similar charges imposed as a condition to permit approval. Notwithstanding anything to the contrary in this Lease, if there is one (1) combined building permit for the 258 Demo Work and the Initial Improvements, the portion of the building permit fee applicable for the Building 258 Demo Work is eligible for rent credits. To the extent Tenant (through its employees, contractors, or any party in which Tenant has a direct financial interest) performs any of the work, the costs for such labor shall be no more than the commercially reasonable, market-rate labor charges typically charged for such work by parties in an arms-length transaction. In no event shall future maintenance, repair and/or replacement costs be eligible for rent credits. During performance of the Building 258 Demo Work, Tenant may submit interim statements with the foregoing information for Landlord's review and approval in order to expedite the initiation of the rent credits. Within ninety (90) days after receipt of the final statement and based upon said statement and accompanying documentation which substantiate the actual costs expended for the Building 258 Demo Work, Landlord in its reasonable discretion shall determine in writing the costs eligible for rent credits. The date Landlord makes such rent credit determination is referred to as the "Rent Credit Determination Date", and from and after such date, Tenant may apply such rent credits in accordance with this Section.

(iii) Notwithstanding any other provision of this Lease, the determination of Completion of the Building 258 Demo Work is independent of the determination of Completion of the other parts of the Initial Improvements for purposes of eligibility for and application of the Building 258 Demo Work Rent Credit.

(iv) Except as set forth in ***Section 4.8(b)*** below, Tenant may apply the Building 258 Demo Work Rent Credit on a monthly basis against one hundred percent (100%) of Rent (x) commencing upon the later of the Occupancy Date or the first full calendar month immediately following the Rent Credit Determination Date, or (y) if Landlord exercises its

termination right in ***Section 3.4(a)***, and Tenant elects to commence payment of Monthly Rent to delay termination of this Lease in accordance with such section then Tenant may apply the Building 258 Demo Work Rent Credit in accordance with such section. In the event all or any portion of the Building 258 Demo Work Rent Credit available to Tenant exceeds such monthly installment of Rent due, then the remaining portion of the Building 258 Demo Work Rent Credit shall be carried forward to the next installment of monthly Rent until the earlier to occur of (i) the rent credit being fully applied, or (ii) the expiration or earlier termination of this Lease.

(b) Conditions for Application of Building 258 Demo Work Rent Credit.

(i) Tenant agrees and acknowledges that any right or claim Tenant may have to any rent credit that has not yet been actually applied against Rent shall, upon the earlier to occur of (i) Tenant's failure to submit to Landlord within ninety (90) days adequate evidence of expenditures (if submission is required under this Lease); or (ii) the expiration or earlier termination of this Lease, be immediately terminated, without notice, and Landlord shall have no liability or obligation to pay or credit Tenant all or any portion of the unused rent credit.

(ii) Rent credits cannot be applied (1) retroactively, or (2) during any holdover period, with or without Landlord's consent. Additionally, notwithstanding anything to the contrary contained herein, in no event shall Tenant receive or apply any rent credit during any existing Event of Default. Upon the occurrence of an Event of Default during any period where there are outstanding and unapplied rent credits, Tenant's right to receive or apply any rent credit shall immediately cease and shall not be reinstated until the first full calendar month immediately following the date the Event of Default is fully cured.

5. TAXES, ASSESSMENTS AND OTHER EXPENSES.

5.1. *Taxes and Assessments, Licenses, Permit Fees and Liens*.

(a) Taxability of Possessory Interest. Tenant recognizes and understands that this Lease may create a possessory interest subject to property taxation and that Tenant may be subject to the payment of property taxes levied on its possessory interest. Tenant further acknowledges that any Sublease or assignment permitted under this Lease and any exercise of any option to renew or extend this Lease may constitute a change in ownership, within the meaning of the California Revenue and Taxation Code, and therefore may result in a reassessment of any possessory interest created hereunder in accordance with applicable Law.

(b) Payment Responsibility. Tenant will pay to the proper authority prior to delinquency, all impositions levied, assessed, confirmed, or imposed on the Premises, on any of the improvements or Personal Property located on the Premises (excluding the personal property of any Subtenant whose interest is separately assessed), on Tenant's leasehold estate (but excluding any such taxes separately assessed, levied, or imposed on any Subtenant), or on any use or occupancy of the Premises hereunder, to the full extent of installments or amounts payable or arising during the Term whether in effect at the Commencement Date or which become effective thereafter. Tenant will not permit any such impositions to become a defaulted lien on the Premises or the improvements thereon; provided, however, that in the event any such imposition is payable in installments, Tenant may make, or cause to be made, payment in installments. For real property taxes and assessments levied on or assessed against the Premises and billed directly to Landlord by the taxing authority, if applicable, Tenant will reimburse Landlord for those payments within thirty (30) days after immediately upon demand. Tenant may, through such proceedings as Tenant considers necessary or appropriate, contest the legal validity or the amount of any impositions, taxes, assessments, or similar charges so long as they do not become a defaulted lien. In the event of any such dispute, Tenant shall Indemnify Landlord, City, and their Agents from and against all claims resulting therefrom.

(c) No Liens. Tenant will not allow or suffer a lien for any taxes payable by Tenant under this Lease to be imposed upon the Premises or upon any equipment or other property located on the Premises without discharging the lien as soon as practicable.

(d) Reporting Information. San Francisco Administrative Code Sections 23.38 and 23.39 (or its successor) require that certain information relating to the creation, renewal, extension, assignment, sublease, or other transfer of this Lease be reported to the County Assessor within sixty (60) days after any such transaction. Accordingly, Tenant must provide a copy of this Lease to the County Assessor not later than sixty (60) days after the Effective Date, and any failure of Tenant to timely provide a copy of this Lease to the County Assessor will be a default under this Lease. Tenant will also timely provide any information that Landlord or City may request to ensure compliance with this or any other reporting. Tenant further agrees to provide all information that Landlord may request to enable Landlord to comply with any possessory interest tax reporting requirements applicable to this Lease.

5.2. ***Evidence of Payment***. Within thirty (30) days after Landlord's request, Tenant will furnish to Landlord official receipts of the appropriate taxing authority or other evidence evidencing payment reasonably satisfactory to Landlord.

6. USE; COVENANTS TO PROTECT PREMISES.

6.1. ***Tenant's Permitted Use***. Tenant may use the Premises for the Permitted Use set forth in the Basic Lease Information only and for no other purpose without the prior written consent of Landlord, which consent shall not be unreasonably withheld, conditioned or delayed. Tenant acknowledges that that this prohibition on the change in use is expressly authorized by California Civil Code section 1997.230 and is fully enforceable.

6.2. ***No Interference with Navy Operations***. Tenant may not conduct operations or make any Alterations (defined in ***Section 7.1*** below), that would interfere with or otherwise restrict Navy's operations or environmental cleanup or restoration actions by the Navy, Landlord, the Environmental Protection Agency, the State of California or their contractors. Notwithstanding the foregoing, and subject to ***Section 20.4*** herein, Tenant may relocate or abandon monitoring wells to the extent approved by the Navy and/or any agencies with oversight authority. Environmental cleanup, restoration, or testing activities by the Navy, Landlord, the Environmental Protection Agency, the State of California or their contractors will take priority over Tenant's use of the Premises in the event of any conflict; provided, however, if the clean-up, restoration, or testing activities are performed by Landlord, then Landlord will use its best efforts to minimize any disruption of Tenant's operation.

6.3. ***No Unlawful Uses, Nuisances or Waste***. Tenant may not use, occupy, or permit the use or occupancy of any of the Premises that is not a Permitted Use or in any unlawful manner or for any illegal purpose, or permit any offensive, noisy or hazardous use or any waste on or about the Premises. Tenant must eliminate any nuisances or hazards relating to its activities on or about the Premises. Tenant will not conduct any business, place any sales display, or advertise in any manner in areas on or about the Island outside of the Premises.

7. INITIAL IMPROVEMENTS; SUBSEQUENT CONSTRUCTION.

7.1. ***Tenant's Work***. Tenant shall perform the Initial Improvements, in accordance with the Tenant Work Letter attached hereto at Exhibit ***[ ]***. The provisions of ***Section 7.2*** (Alterations), shall not apply to the Initial Improvements and the terms and provisions of the Tenant Work Letter shall control for construction of the Initial Improvements.

7.2. ***Alterations***. Tenant may not construct, install, make, or permit to be made any alterations, installations, or additions ("Alterations") in, to, or about the Premises, without Landlord's prior written consent each time, which consent may be given or withheld in Landlord's reasonable discretion, and without unreasonable conditions, within fifteen (15) business days after Tenant's request for consent accompanied by plans and specifications for the proposed Alterations; provided, however, that (x) Landlord's consent shall not be required for (1) temporary alterations related to training or events in the open areas of the Premises, (2) the installation of goals (including goal posts), nets, and ball stop nets (of approximately thirty-two feet (32') above grade in height), affixed to poles along the perimeter of the practice fields, (3)

storage sheds and similar structures for field maintenance supplies and equipment, (4) viewing bleachers, benches and shelter structures for spectators, players, coaches, and team staff, (5) tents and other temporary covers that are dismantled and removed within three (3) business days, and temporary signage (including directional signage) for exhibition games or events, (6) lighting (including lighting poles) to illuminate the fields and other portions of the Premises and amplified sound equipment, and (7) any alterations to the interior of the building that is part of the Initial Improvements, and (y) Tenant's use of Tenant's Personal Property in the open areas of the Premises shall not constitute Alterations. Prior Landlord approval will be required for the dimensions and height of a fixed field bubble for inclement weather and for any permanent lights facing outward of the Premises. Subject to obtaining any required consent from Landlord's as provided above, any Alterations will be done at Tenant's sole expense (a) in strict accordance with plans and specifications approved in advance by Landlord in writing, (b) by duly licensed and bonded contractors or mechanics, (c) in a good and professional manner, (d) in strict compliance with all Laws, and (e) subject to all other conditions that Landlord may reasonably impose provided Landlord imposes such conditions consistently with respect to all other similar leases, licenses or other occupancy agreements for similar uses on the Island. In no event may the construction, installation, or the making of any Alterations impair the use or operation of, or Landlord's, its tenants and licensees, invitees and members of the public's access to, any property outside of the Premises. Before the commencement of any work on the Premises to construct any Alterations, Tenant, at its sole expense, will procure all required permits and approvals and will promptly upon receipt deliver copies of all the documents to Landlord. No material change from the plans and specifications for any Alterations approved by Landlord may be made without Landlord's prior consent, which consent may be given or withheld in Landlord's reasonable discretion, and without unreasonable conditions, within fifteen (15) business days after Tenant's request for consent accompanied by plans and specifications showing the proposed modification. Landlord and Landlord's Agents will have the right to inspect the course of construction on the Premises at all times upon reasonable prior notice to Tenant.

(a) Asbestos-Containing Materials. Without limiting ***Section 20.1*** (No Hazardous Materials) below, if asbestos-containing materials ("ACM") are determined to exist in or about the Premises, then Tenant will ensure that all Alterations and any asbestos related work, as defined in California Health & Safety Code Section 25914.1(b), is performed in compliance with all laws relating to asbestos, including, but not limited to, California Occupational Safety and Health (OSHA) regulations found in Title 8 of the California Code of Regulations, Sections 1502 and 1529. Additionally, Tenant will distribute notifications to all employees and contractors as required under California Health & Safety Code Section 25915 et seq. informing them of the existence of ACM and that moving, drilling, boring, or otherwise disturbing ACM may present a health risk and should not be attempted by an unqualified employee. No Alterations affecting ACM-containing areas or any asbestos related work may be performed without Landlord's prior written consent in each instance.

(b) Tenant's Improvements or Alterations that Disturb or Remove Lead Based Paint. Tenant will comply with all requirements of the San Francisco Building Code, Section 3407, all other applicable present or future Laws, the requirements of any board of fire underwriters or similar body, and any directive or occupancy certificate issued by any public officer or officers acting in their regulatory capacity, including, without limitation, the California and United States Occupational Health and Safety Acts and their implementing regulations, when the work of improvement or alteration disturbs or removes exterior lead-based or "presumed" lead-based paint (as defined below). Tenant must give to Landlord three (3) business days prior written notice of any disturbance or removal of exterior lead-based or presumed lead-based paint. Further, Tenant, when disturbing or removing exterior lead-based or presumed lead-based paint, may not use or cause to be used any of the following methods: (a) acetylene or propane burning and torching; (b) scraping, sanding or grinding without containment barriers or a High Efficiency Particulate Air filter ("HEPA") local vacuum exhaust tool; (c) hydroblasting

or high pressure wash without containment barriers; (d) abrasive blasting or sandblasting without containment barriers or a HEPA vacuum exhaust tool; and (e) heat guns operating above 1,100 degrees Fahrenheit. Paint on the exterior of buildings built before December 31, 1978, is presumed to be lead-based paint unless lead-based paint testing, as defined in San Francisco Building Code section 3407, demonstrates an absence of lead-based paint on the exterior surfaces of the buildings. Under this Section, lead based paint is "disturbed or removed" if the work of improvement or alteration involves any action that creates friction, pressure, heat, or a chemical reaction upon any lead-based or presumed lead-based paint on an exterior surface to abrade, loosen, penetrate, cut through, or eliminate paint from that surface. Notice to Landlord under this Lease will not constitute notice to the City's Department of Building Inspection required under San Francisco Building Code section 3407. Tenant shall not be required to remove or remediate any lead-based paint existing in the soil of the Premises as of the Effective Date, unless such work is required in connection with Tenant's construction of any Alterations.

7.3. ***Historic Properties***. Without limiting the generality of the foregoing, Tenant acknowledges and agrees that no Alterations may be made to any improvements on the Premises (i) that will affect the historic characteristics of the improvements on the Premises or modify the appearance of the exterior of the improvements of the Premises without Landlord's prior written consent, or (ii) if the Alterations would preclude the Premises from inclusion on the National Register of Historic Places.

7.4. ***Ownership of Alterations***. Any Alterations constructed on or affixed to the Premises by or on behalf of Tenant under the terms and limitations of this ***Section 7*** are and will remain Tenant's property during the Term. Upon the expiration or earlier termination of this Lease, Tenant must remove all Alterations from the Premises in accordance with the provisions of ***Section 19*** below, unless Landlord, at its sole option and without limiting any of the provisions of ***Section 7.1*** above, requires that any of Alterations remain on the Premises, except that Tenant shall not be required to remove any underground facilities, retaining walls or foundations.

7.5. ***Tenant's Personal Property***. All furniture, furnishings, and articles of movable personal property and equipment used upon or installed in the Premises by or for the account of Tenant that can be removed without structural or other material damage to the Premises (provided that Tenant may damage any the Initial Improvements so long as Tenant repairs or removes such Initial Improvements) ("Tenant's Personal Property") are and will remain the property of Tenant, including, without limitation, Tenant's furnishing, fixtures and equipment, goals and nets, temporary stands and bleachers, benches, a field bubble for inclement weather, signage, and scoreboards. Tenant must remove all of Tenant's Personal Property from the Premises at the end of the Term or earlier termination of this Lease, subject to the provisions of ***Section 19*** below. Tenant is solely responsible for providing any security or other protection of or maintenance to Tenant's Personal Property.

7.6. ***Landlord's Alterations***. Landlord reserves the right at any time to make alterations, additions, repairs, deletions, or improvements to property outside of the Premises; provided that Landlord's alterations or additions may not materially adversely affect Tenant's use of or access to and from the Premises for the Permitted Use.

8. REPAIRS AND MAINTENANCE.

8.1. ***Tenant Responsible for Maintenance and Repair***. Tenant assumes full and sole responsibility for the condition, operation, repair, maintenance, and management of the Premises from and after the Commencement Date and will keep the Premises in good condition and repair. Landlord will not be responsible for the performance of any repairs, replacements, changes, or alterations to the Premises, and Landlord will not be liable for any portion of the cost thereof. Tenant will make all repairs and replacements, interior and exterior, structural as well as non-structural, ordinary as well as extraordinary, foreseen and unforeseen, that may be necessary to maintain the Premises at all times in a clean, safe, attractive, and sanitary condition and in good

order and repair, to Landlord's reasonable satisfaction. Notwithstanding anything in ***Section 12*** to the contrary, if any portion of the Premises is damaged by any activities conducted by Tenant or Tenant Parties, Tenant will promptly, at its sole cost, repair all of the damage and restore the Premises to its previous condition.

8.2. ***Utilities***. Tenant agrees and acknowledges that Landlord, in its proprietary capacity as owner of the Premises and landlord under this Lease, will not provide any utility services to the Premises or any portion of the Premises. Tenant, at its sole expense, must (i) arrange for the provision and construction of all on-site and off-site utilities necessary to construct, operate and use the improvements and any other portion of the Premises for their intended use, (ii) be responsible for contracting with, and obtaining, all necessary utility and other services, as may be necessary and appropriate to the uses to which all of the improvements and the Premises are put (it being acknowledged that City (including its SFPUC) is the sole and exclusive provider to the Premises of certain public utility services), and (iii) maintain and repair all utilities serving the Premises to the point provided by the respective utility service provider (whether on or off the Premises). Tenant will purchase all electrical service for the improvements and the Premises from SFPUC unless SFPUC determines that such service is not feasible for the Premises. Tenant also must coordinate with the respective utility service provider with respect to the installation of utilities and connection of utility services to the Premises, including providing advance notice to appropriate parties of trenching requirements.

8.3. ***Payment of Utility Deposits, Charges, Fees, and Costs***. Tenant will pay or cause to be paid as the same become due, all deposits, charges, meter installation fees, connection fees, and other costs for all public or private utility services at any time rendered to the Premises or any part of the Premises, and will do all other things required for the maintenance, repair, replacement, and continuance of all such services. Tenant agrees, with respect to any public utility services provided to the Premises by City, that no act or omission of City in its capacity as a provider of public utility services, will abrogate, diminish, or otherwise affect the respective rights, obligations and liabilities of Tenant and Landlord under this Lease, or entitle Tenant to terminate this Lease or to claim any abatement or diminution of Rent. Further, Tenant covenants not to raise as a defense to its obligations under this Lease, or assert as a counterclaim or cross-claim in any litigation or arbitration between Tenant and Landlord relating to this Lease, any Losses arising from or in connection with City's provision (or failure to provide) public utility services, except to the extent to preserve its rights hereunder that failure to raise such claim in connection with such litigation would result in a waiver of such claim. The foregoing will not constitute a waiver by Tenant of any claim it may now or in the future have (or claim to have) against any such public utility provider relating to the provision of (or failure to provide) utilities to the Premises.

8.4. ***Janitorial Services***. Tenant will provide all janitorial services for the Premises at Tenant's sole expense.

8.5. ***Pest Control***. Tenant will provide and pay for all pest control services required within the Premises and will keep the Premises free of all pests at all times at Tenant's sole expense.

8.6. ***Trash***. Tenant will provide and pay for all garbage, recycling and compost collections and will keep the Premises clean and free of debris.

8.7. ***No Right to Repair and Deduct***. Tenant expressly waives the benefit of any existing or future Laws or judicial or administrative decision that would otherwise permit Tenant to make repairs or replacements at Landlord's expense, or to terminate this Lease because of Landlord's failure to keep the Premises or any part thereof in good order, condition, or repair, or to abate or reduce any of Tenant's obligations under this Lease because the Premises or any part thereof needs repair or replacement. Without limiting the foregoing, Tenant expressly waives the provisions of California Civil Code sections 1932, 1941, and 1942 or any similar Laws granting

a tenant a right to terminate a lease, or the obligations of a landlord, or any right of a tenant to make repairs or replacements and deduct the cost from rent.

9. LIENS.

Other than any Mortgages pursuant to ***Section 23*** below, Tenant will keep the Premises free from any liens arising out of any work performed, material furnished, or obligations incurred by or for Tenant. If Tenant does not, within thirty (30) days following Tenant's knowledge of the imposition of any lien, cause the lien to be released of record by payment or posting of a proper bond, then Landlord will have (in addition to all other remedies provided in this Lease, at law or in equity) the right, but not the obligation, to cause the lien to be released by any means Landlord deems proper, including, but not limited to, payment of the claim giving rise to the lien. All sums paid by Landlord and all expenses it incurs in connection with a lien (including, without limitation, reasonable attorneys' fees) will be payable to Landlord by Tenant upon demand. Landlord will have the right to post and keep posted on the Premises any notices permitted or required by law or that Landlord deems proper for its protection and protection of the Premises from mechanics' and materialmen's liens. Tenant will give Landlord at least fifteen (15) days' prior written notice of the commencement of any repair or construction on any of the Premises that requires a building permit.

10. COMPLIANCE WITH LAWS.

10.1. ***Compliance with Laws***.

(a) Tenant will, at its sole expense, maintain the Premises and cause Tenant's use of and operations at the Premises to strictly comply with all present and future Laws, whether foreseen or unforeseen, ordinary as well as extraordinary. Tenant expressly acknowledges that the term "Laws" includes, without limitation, all Laws relating to health and safety and disabled accessibility including, without limitation, the Americans with Disabilities Act, 42 U.S.C. § 12101 et seq. and Title 24 of the California Code of Regulations, all present and future Environmental Laws (as defined in ***Section 20.1*** below), and all applicable provisions of the San Francisco Environment Code. No occurrence or situation arising during the Term, or any present or future Law, whether foreseen or unforeseen, and however extraordinary, will give Tenant any right to seek redress against Landlord for failing to comply with any Laws. Tenant waives any right under any Laws (whether now existing or enacted in the future) to compel Landlord to make any repairs to comply with any Laws.

(b) Qualified to Do Business. Tenant understands that each person engaging in business within the City, as determined under San Francisco Business and Revenue and Tax Code section 6.2-12, shall apply to the San Francisco Tax Collector for a registration certificate, using the form provided by the Tax Collector, and pay any applicable taxes. In addition, foreign and out of state businesses must qualify with the California Secretary of State before transacting business in the State, as set forth in the California Corporations Code. Tenant agrees to comply with these requirements.

10.2. ***Regulatory Approvals; Responsible Party***. Tenant understands and agrees that Tenant's use of the Premises and construction of any improvements permitted under this Lease may require authorizations, approvals, or permits from governmental regulatory agencies with jurisdiction over the Premises. Tenant will be solely responsible for obtaining all regulatory approvals, including without limitation, any liquor permits or approvals. Tenant will bear all costs associated with applying for, obtaining and maintaining any necessary or appropriate regulatory approval and will be solely responsible for satisfying any and all conditions imposed by regulatory agencies as part of a regulatory approval. Tenant will be immediately pay and discharge any fines or penalties levied because of Tenant's failure to comply with the terms and conditions of any regulatory approval, and Landlord will have no liability, monetary or otherwise, for any fines or penalties. Tenant will indemnify, protect, defend, and hold harmless ("Indemnify") Landlord and City, including, but not limited to, all of Landlord's Agents and

City's Agents (the "Indemnified Parties"), against any and all claims, demands, losses, liabilities, damages, liens, injuries, penalties, fines, lawsuits and other proceedings, judgments and awards and costs and expenses, including, without limitation, reasonable attorneys' and consultants' fees and costs ("Losses") arising from Tenant's failure to obtain or comply with the terms and conditions of any regulatory approval.

10.3. ***Compliance with Landlord's Risk Management Requirements***. Tenant will not do anything, or permit anything to be done, in or about the Premises or to any Alterations that would create any unusual fire risk and will take commercially reasonable steps to protect Landlord from any potential premises liability. Tenant will faithfully observe, at its expense, all reasonable requirements of Landlord's Risk Manager with respect to Tenant's use and occupancy of the Premises and with the requirements of any of Tenant's policies of commercial general liability, all risk/special form property, or other policies of insurance at any time required under this Lease or in force for the Premises and any Alterations.

11. ENCUMBRANCES.

Notwithstanding anything to the contrary contained in this Lease, except for any Mortgages pursuant to ***Section 23*** below, Tenant will not under any circumstances whatsoever create any mortgage, deed of trust, assignment of rents, fixture filing, security agreement, or similar security instrument, or other lien or encumbrance or assignment or pledge of an asset as security in any manner against the Premises, Tenant's Leasehold Estate, or Landlord's interest under this Lease.

12. DAMAGE OR DESTRUCTION.

12.1. ***Damage or Destruction to the Premises***. If damage to or destruction of the Premises by earthquake, fire, flood, or any other casualty (collectively, "Casualty") occurs that (i) is not caused by Tenant or Tenant Parties, (ii) is not covered by the insurance described in ***Section 17*** below, (iii) would prevent Tenant from operating the Premises or any material portion thereof for the Permitted Use for a period of no less than thirty (30) days, and (iv) costs more than Five Hundred Thousand Dollars ($500,000) to repair, then Tenant may terminate this Lease upon thirty (30) days prior written notice; provided, however, Tenant will take necessary actions to alleviate any conditions caused by such Casualty that could cause an immediate or imminent threat to the public safety and welfare or damage to the environment, including any demolition or hauling of rubble or debris. Upon termination, Tenant will surrender the Premises in accordance with ***Section 19*** (except for damage caused by a casualty for which this Lease may be terminated under this ***Section 12.1***) and both Parties will be relieved of any liability for the termination or for repairing the damage, provided that Tenant will assign to Landlord, all of any property insurance proceeds it receives as a result of such Casualty. If Tenant does not terminate this Lease as provided in this ***Section 12.1***, then Tenant will, at its sole cost, promptly restore, repair, replace, or rebuild the Premises to the condition the Premises were in before the damage or destruction. If any portion of the Premises is damaged by any activities conducted by Tenant or Tenant Parties, Tenant will immediately, at its sole cost, repair all of the damage and restore the Premises to its previous condition or remove the Alteration installed by Tenant that Tenant damaged. Under no circumstances will Landlord have any obligation to repair, replace, or rebuild the Premises in the event of a casualty.

12.2. ***No Abatement in Rent***. In the event of any damage or destruction to the Premises, there will be no abatement in the Rent.

12.3. ***Waiver***. The Parties understand and agree that the foregoing provisions of this Section are intended to govern fully the rights and obligations of the Parties in the event of damage or destruction to the Premises or Alterations, and Landlord and Tenant each hereby waives and releases any right to terminate this Lease in whole or in part under Civil Code of California sections 1932.2 and 1933.4 or under any similar Laws now or later in effect, to the extent those rights are inconsistent with the provisions of this Lease.

13. CONDEMNATION.

(a) General; Notice; Waiver.

(i) General. If, at any time during the Term, there is any Condemnation of all or any part of the Premises, including any of the improvements (including the Initial Improvements) or Alterations, then the rights and obligations of the Parties will be determined pursuant to this ***Section 13***. As used in this Lease the following terms have the following meanings:

"**Condemnation**" means the taking of all or any part of the Premises, or the right of possession thereof, by eminent domain, or inverse condemnation or any property outside the Premises that would eliminate the Premises driveways for ingress from and egress to a public street or materially and adversely impact Tenant's use of the Premises for the Permitted Use. Condemnation may occur pursuant to the recording of a final order of condemnation, or by a voluntary sale of all or any part of any property to any Person having the power of eminent domain (or to a designee of any such Person), provided that such sale occurs by way of settlement of a condemnation action.

"**Condemnation Award**" means all compensation, sums or value paid, awarded or received for a Condemnation, whether pursuant to judgment, agreement, settlement or otherwise.

"**Condemnation Date**" means the earlier of: (a) the date when the right of possession of the condemned property is taken by the condemning authority; or (b) the date when title to the condemned property (or any part thereof) vests in the condemning authority.

"**Leasehold**" or "**Leasehold Estate**" means Tenant's leasehold interest in the Premises created by this Lease and held by Tenant at any particular time.

(ii) Notice. In case of the commencement of any proceedings or negotiations which might result in a Condemnation of all or any portion of the Premises during the Term, the Party learning of such proceedings will promptly give written notice of such proceedings or negotiations to the other Party. Such notice will describe with as much specificity as is reasonable, the nature and extent of such Condemnation or the nature of such proceedings or negotiations and of the Condemnation which might result therefrom, as the case may be.

(b) Total Condemnation. If there is a Condemnation of the entire Premises or the Leasehold Estate (a "**Total Condemnation**"), this Lease will terminate as of the Condemnation Date. Upon such termination, except as otherwise set forth in this Lease, the Parties will be released without further obligations to the other Party as of the Condemnation Date, subject to the payment to Landlord of accrued and unpaid Rent, up to the Condemnation Date and the provisions that expressly survive the expiration or earlier termination of this Lease. Landlord and Tenant will execute and deliver a termination of Lease or such other documents as is reasonably necessary to evidence such termination.

(c) Substantial Condemnation, Partial Condemnation. If there is a Condemnation of any portion but less than all of the Premises, the rights and obligations of the Parties will be as follows:

(i) Substantial Condemnation. If there is a Substantial Condemnation of a portion of the Premises or the Leasehold Estate, this Lease will terminate, at Tenant's option, (which will be exercised, if at all, at any time within ninety (90) days after the Condemnation Date by delivering written notice of termination to Landlord). "**Substantial Condemnation**" means where Tenant reasonably determines that, because of the Condemnation, it will be infeasible for Tenant to perform the Initial Improvements, or if the Premises is expanded, any improvements to the Phase II Space, or Tenant is unable to occupy and use the Premises for the permitted use.

(ii) Partial Condemnation. If there is a Condemnation of any portion of the Premises or the Leasehold Estate which does not result in a termination of this Lease under ***Section 13(b)*** or ***13(c)(i)*** (a "**Partial Condemnation**"), this Lease will terminate only as to the portion of the Premises taken in such Partial Condemnation, effective as of the Condemnation Date. In the case of a Partial Condemnation, this Lease will remain in full force and effect as to the portion of the Premises (or of the Leasehold Estate) remaining immediately after such Condemnation. Landlord and Tenant will execute and deliver a partial termination of Lease or such other document as is reasonably necessary to evidence such termination.

(d) Condemnation Awards. Condemnation Awards and other payments to either Landlord or Tenant on account of a Condemnation, less costs, fees and expenses of either Landlord or Tenant (including, without limitation, reasonable Attorneys' Fees and Costs) incurred in the collection thereof ("**Net Condemnation Awards and Payments**") will be allocated between Landlord and Tenant, with each Landlord and Tenant entitled to receive and retain such separate awards and portions of lump sum awards as may be allocated to the value of their respective interests in any condemnation proceedings. This provision will survive the termination or expiration of this Lease.

(e) Temporary Condemnation. If there is a Condemnation of less than ten percent (10%) of the Premises for a temporary period lasting less than twelve (12) months and such taking does not materially and adversely impact Tenant's use of the Premises, other than in connection with a Substantial Condemnation or a Partial Condemnation of a portion of the Premises for the remainder of the Term, this Lease will remain in full force and effect, and the entire Condemnation Award will be payable to Tenant and Tenant will continue to pay Rent to landlord for the entire Premises without any offset or deduction.

(f) Personal Property. Notwithstanding ***Section 13(d)***, Landlord will not be entitled to any portion of any Net Condemnation Awards and Payments payable in connection with the Condemnation of the Personal Property of Tenant or any of its Subtenants.

14. ASSIGNMENT AND SUBLETTING.

14.1. ***Restriction on Assignment and Subletting***. Tenant may not directly or indirectly (including, without limitation, by merger, acquisition, or other transfer of any controlling interest in Tenant), voluntarily or by operation of Law, except as set forth in ***Section 14.3***, sell, assign, encumber, pledge, lease, or otherwise transfer any part of its interest in or rights to the Premises, any Alterations, or its interest in this Lease, or permit any portion of the Premises to be occupied by anyone other than itself, or sublet any portion of the Premises (a "Transfer"), without Landlord's prior written consent, in its sole discretion, if the Premises will no longer be used as the primary training facility for a Bay Area franchise team of NWSL and in its reasonable discretion if the Premises will continue to be used consistent with the Permitted Use; provided, however, it will be reasonable for Lessor to disapprove the assignment if the proposed assignee intends to use the Premises primarily for any for-profit academy or similar use or other revenue generating purpose, as opposed to a training facility, and the rent structure is not changed to allow for Landlord to receive a reasonable percentage or participation rent from such revenue producing uses. Landlord reserves the right to condition any consent to a Transfer that if the assignee does in fact use the Premises primarily for any for-profit academy or similar use or other revenue generating purpose and the rent structure did not change at the time of Landlord consent to allow for Landlord to receive a reasonable percentage or participation rent from such revenue producing uses, then Tenant will be in default of the Lease unless Landlord receives a reasonable percentage or participation rent from such revenue producing uses. Tenant will provide Landlord with a written notice of its intention to Transfer this Lease or the Premises, together with a copy of the proposed Transfer agreement at least thirty (30) days before the commencement date of the proposed Transfer, and Landlord shall consent or reasonably withhold its consent within ten (10) business days after Tenant's request for consent accompanied by the proposed Transfer agreement. Tenant will provide Landlord with all

information regarding the proposed Transfer that Landlord may reasonably request. Tenant's notice requirements with respect to Permitted Transfers are set forth in Section 14.3.

14.2. ***Bonus Rental***. If Landlord consents to a Sublease, then fifty percent (50%) of any rent or other consideration payable to Tenant (excluding utility pass-through costs) in excess of the Base Rent (or the proportionate share thereof applicable to the portion of the Premises that is subject to the Sublease) will be paid to Landlord within five (5) business days following receipt by Tenant.

14.3. ***Permitted Transfers; Other Permitted Agreements***.

(a) Permitted Transfers. Notwithstanding any of the provisions of this ***Section 14*** to the contrary, and provided that the agreement effectuating the Transfer complies with the immediately following paragraph and the "Tenant" under this Lease continues to (i) be a NWSL franchise team for the Bay Area and (ii) use the Premises as such team's primary training facility, Tenant shall have the right, without obtaining the prior written consent of Landlord, (x) to effect a Transfer of this Lease or the Premises or any part thereof to any Related Entity of Tenant or to the NWSL, (y) to effect a Transfer of this Lease to a purchaser or other transferee in connection with any acquisition of Tenant (by way of merger, sale of all or substantially of the Tenant's assets in any transaction or series of transactions, acquisition, financing, refinancing, transfer, leveraged buy-out, sale of controlling interests of stock, membership or partnership interests, or otherwise), and (z) to effect a Transfer wherein the then-current "Tenant" remains the "Tenant" under this Lease, such as, for example but without limitation, a so-called reverse triangular merger or other transfer of the direct or indirect interests in Tenant. In addition, Tenant shall have the right to Transfer this Lease to the NWSL if the NWSL exercises its rights under its agreements with Tenant to cause Tenant to Transfer this Lease to the NWSL and such Transfer shall be a Permitted Transfer. Each transfer described in this paragraph shall be referred to herein as a "**Permitted Transfer**".

Tenant shall give Landlord written notice of a Permitted Transfer no more than ten (10) days following the effective date of such Permitted Transfer, and if the Lease is transferred to a party other than the then-current Tenant, then Tenant shall provide Landlord with a copy of a fully executed assignment or sublease agreement, as the case may be. The fully executed assignment must comply with ***Sections 14.4(i), 14.4(iii), and 14.4(vi)*** and the fully executed Sublease must comply with ***Section 14.8***. Any Permitted Transfer shall in no way relieve Tenant of any liability Tenant may have under this Lease arising out of or with regard to the performance of any covenants or obligations to be performed by Tenant hereunder before the effective date of the Permitted Transfer.

For purposes of this ***Section 14.3***, the term "**Related Entity**" shall mean any entity controlled by, under control with, or in control of Tenant and such entity shall have at least substantially the same net worth as Tenant as of the date immediately prior to the proposed effective date of the transfer. The term "control" as used in the immediately preceding sentence shall mean having direct ownership of fifty percent (50%) or more of the ownership interests of an entity and having the ability to direct the management and policies of such entity. If Tenant is a privately held entity whose stock becomes publicly held, the transfers of such stock from private to public ownership shall not be deemed a Transfer requiring Landlord's consent. In addition, neither (1) the institutional, venture or other private financing by Tenant to raise additional capital, nor (2) any change of control of Tenant resulting from the transactions described in the immediately preceding clause (1) or the sale of any publicly traded stock of Tenant shall be deemed a Transfer and Landlord's consent shall not be required for any of the foregoing transactions.

(b) Other Permitted Agreements. Tenant may allow the use of the Premises for the Permitted Uses and may, in connection therewith, enter into short term use agreements, and other similar types of agreements, with other parties for Permitted Uses and such uses and agreements will not constitute a Transfer or require Landlord's prior consent or compliance with

Section 14.2 (Bonus Rental), and Tenant may retain all revenues and benefits associated with such activities, including, for the following: (i) as a training site for the World Cup or other sports, (ii) for use by Tenant's reserve teams or by an academy program, (iii) fan days, awards dinners, open-house, sponsor, and youth events (even if any of the foregoing are hosted by parties that are not affiliated with Tenant), (iv) providing space for third-parties directly involved in team training or the maintenance of the Premises, such as strength coaches, nutritionists, physical therapists, masseuses, and other recovery specialists, food and beverage vendors, sponsor and advertising representatives, groundskeepers, and mechanical, electrical and plumbing staff, and (v) selling and displaying team or facility sponsorship packages on or for the Premises, including without limitation, naming rights, event sponsors, or signage advertisers so long as they are in compliance with applicable Laws including ***Section 22.1*** (Signs); provided, however, that Tenant must obtain Landlord's prior consent for any agreement to sell and display team or facility sponsorship packages on or for any of the Phase II Space that will be substantially made available for the public's use including without limitation, naming rights, event sponsors, or signage advertisers. Additionally, none of the Permitted Agreements will negate or reduce Tenant obligations and liabilities under this Lease.

14.4. ***Conditions***. Any Transfer is further subject to the satisfaction of all of the following conditions precedent, each of which is hereby agreed to be reasonable as of the date hereof:

(i) Any proposed transferee, for itself and its successors and assigns, must expressly assume all of the obligations of (A) Tenant under this Lease, and (B) Tenant under any other agreements or documents entered into by and between Landlord and Tenant relating to the overall Project contemplated under those agreements, in the case of each of the preceding clauses (A) and (B) to the extent of the transferred interest;

(ii) All instruments and other legal documents involved in effectuating the Transfer has been submitted to Landlord for review and, if Landlord's consent to the Transfer is required, Landlord has approved such documents (which approval Landlord will not unreasonably withhold, condition or delay) within the time period specified for Landlord to consent to the Transfer;

(iii) There is no Tenant Event of Default or an act or omission with the passage of time and notice would become an Event of Default on the part of Tenant, where Tenant or the proposed transferee has not made provisions to cure the default or would be default prior the effective date of the Transfer, which provisions are reasonably satisfactory to Landlord;

(iv) If Landlord's consent to the Transfer is required, then the proposed transferee (A) has demonstrated to Landlord's satisfaction, in Landlord's sole discretion if the effective date of the Transfer is prior to issuance of a certificate of completion for the Initial Improvements, that the proposed transferee is capable, financially and otherwise, of performing each of Tenant's obligations under this Lease to the extent of the transferred interest, (B) has demonstrated to Landlord's reasonable satisfaction, that it is capable, financially and otherwise, of performing each of Tenant's obligations under this Lease and Tenant's obligations under any other documents to be assigned, in each case to the extent of the transferred interest, and (C) is subject to the jurisdiction of the courts of the State;

(v) Any field that is substantially made available for the public's use will continue to be made available for the public's use during the remaining Term; and

(vi) Within thirty (30) days after Landlord's written request, Tenant will pay to Landlord, Landlord's reasonable costs, including Attorneys' Fees and Costs incurred in connection with the review and documentation of Landlord's consent to any proposed Transfer. Tenant will pay such costs regardless of whether Landlord consents to such proposal.

14.5. ***Assignment and Assumption Agreement***. Any Transfer must be pursuant to an Assignment and Assumption Agreement (in form and substance reasonably satisfactory to

Landlord if Landlord's consent to the Transfer is required, under which the transferee assumes and agrees to be bound by all obligations of Tenant under this Lease, including, without limitation, all of the Indemnifications and releases by Tenant in this Lease, and Tenant's obligations under other assigned documents, in each case to the extent of the transferred interest ("Assignment and Assumption Agreement"); provided, however, that the failure of any transferee to assume all of Tenant's obligations under this Lease or any other assigned documents, as applicable, will not relieve such transferee from such obligations or limit Landlord's rights or remedies under this Lease, any other assigned documents, or under applicable Law.

14.6. ***Delivery of Executed Assignment***. No Transfer made with Landlord's consent, or as herein otherwise permitted, will be effective unless and until Landlord receives within thirty (30) days after Tenant entered into the Assignment and Assumption Agreement with the transferee, a fully executed copy of such Assignment and Assumption Agreement.

14.7. ***No Release of Tenant's Pre-Transfer Liability or Waiver by Virtue of Consent***. The consent by Landlord to a Transfer hereunder is not in any way to be construed to, from and after the date of such assignment, relieve Tenant of any liability arising out of or with regard to the performance of any covenants or obligations to be performed by Tenant hereunder before the date of such assignment, or relieve any transferee of Tenant from its obligation to obtain the express consent in writing of Landlord to any further Transfer.

14.8. ***Required Provisions in Every Sublease***. Each and every Sublease or other occupancy agreement (including the Other Permitted Agreements) must contain all the following provisions:

(i) An Indemnification clause and waiver of claims provision similar to that set forth in ***Section 16*** Release and Waiver of Claims; Indemnification) except that the term "Tenant" in such provisions means Subtenant or other user, as applicable; and

(ii) A requirement that under all liability and other insurance policies, "THE CITY AND COUNTY OF SAN FRANCISCO, TREASURE ISLAND DEVELOPMENT AUTHORITY AND THEIR OFFICERS; AGENTS, EMPLOYEES AND REPRESENTATIVES" are additional insureds by written endorsement and acknowledging Landlord's rights to demand increased coverage to normal amounts consistent with the Subtenant's business activities on the Premises; and

(iii) A provision stating that if for any reason whatsoever this Lease is terminated, such termination will operate to terminate the applicable agreement entered into by Tenant; and

(iv) Subject to the rights of any Mortgagee, a provision directing Subtenant or other user, as applicable, to pay the Sublease rent and other sums due under the Sublease or other agreement directly to Landlord upon receiving written notice from Landlord that a Tenant Event of Default has occurred; and

(v) A provision whereby each Subtenant and other user expressly waives entitlement to any and all relocation assistance and benefits in connection with this Lease; and

(vi) Provisions whereby each Subtenant and other user agrees to comply with ***Sections 10*** (Compliance with Laws), 16 (Release and Waiver of Claims; Indemnification), 18 (Access by Landlord), 20 (Hazardous Materials; Well Protection), and ***22*** (Special City Provisions) as if the Subtenant or other user, as applicable, was the Tenant referenced in such sections and in the event of any conflict between the aforementioned sections and the Sublease or other occupancy agreement, as applicable, the terms of the aforementioned sections will control.

14.9. ***Copy of Executed Sublease***. Tenant will provide Landlord a true and complete copy of each executed Sublease within thirty (30) days after the execution thereof and with respect to any of the Other Permitted Agreements, at the written request of Landlord.

14.10. ***Mortgaging of Leasehold***. Notwithstanding anything herein to the contrary, at any time during the Term, Tenant has the right, without Landlord's prior consent, to sell, assign, encumber, or transfer its interest in this Lease to a Mortgagee or other purchaser in connection with a deed in lieu of foreclosure in connection with the exercise of remedies under the provisions of a Mortgage subject to the limitations, rights and conditions set forth in ***Section 23***.

15. DEFAULT; REMEDIES.

15.1. ***Events of Default***. Any of the following will constitute an event of default ("**Event of Default**") by Tenant under this Lease:

(a) Any failure to pay any Rent or any other sums payable by Tenant under this Lease, including sums due to Landlord for utilities, when due if such failure continues for more than five (5) days after written notice from Landlord to Tenant that the same is past due;

(b) The Premises are used for non-Permitted Uses, and such non-Permitted Use(s) continues for a period of three (3) days following written notice from Landlord. If such default cannot be cured within such 3-day period, then Tenant will not be in default of this Lease if Tenant commences to cure the default within such 3-day period, and thereafter diligently and in good faith continues to cure the default within fifteen (15) days after notice to complete cure; provided, however, if the Premises are used for the same type of non-Permitted Uses more than four (4) times in any twenty-four (24) month period, then, notwithstanding Tenant's cure of any prior same type of non-Permitted Uses in such twenty-fourth (24th) month period, upon the occurrence of the fifth (5th) such same type of non-Permitted Use and any subsequent same type of non-Permitted Use, Landlord, at its sole option, may proceed directly to exercising its rights under ***Section 15.2*** and Tenant shall have no additional time to cure such default following written notice from Landlord;

(c) Tenant fails to comply with the provisions of ***Sections 8*** (Repair and Maintenance) and ***20*** (Hazardous Materials), in each case in a manner that presents a significant and immediate health, safety, welfare or environmental risk or hazard, as determined by Landlord in its reasonable discretion, and such failure continues for a period of twenty-four (24) hours following written notice from Landlord; in all other circumstances, such failure shall be cured within ten (10) business days following written notice from Landlord. If such default cannot reasonably be cured within such twenty-four (24) hour or 10-business day period, as applicable, then Tenant will not be in default of this Lease if Tenant commences to cure the default within such twenty-four (24) hour or 10-business day period, as applicable, and thereafter diligently and in good faith continues to cure the default;

(d) Tenant Transfers or Subleases, or attempts to Transfer or Sublease, this Lease or the Premises, as applicable, contrary to the provision of ***Section 14*** (Assignment and Subletting) and does not subsequently obtain any required Landlord consent, or terminate the Transfer or Sublease, within thirty (30) days after written notice from Landlord; or

(e) Without limiting the provisions of ***Section 10*** (Compliance with Laws) or lengthening the cure periods under such section, Tenant's failure to comply with Laws and Tenant's failure to cure the foregoing default within forty-eight (48) hours following written notice from Landlord. If such default cannot reasonably be cured within such forty-eight (48) hour period, then Tenant will not be in default of this Lease if Tenant commences to cure the default within such forty-eight (48) hour period, and thereafter diligently and in good faith continues to cure the default;

(f) Tenant fails to maintain any insurance required to be maintained by Tenant under this Lease, which failure continues without cure for five (5) business days after

written notice from Landlord, or, in the case of any failure to maintain due to a local, regional, state, or national cessation in the issuance of the particular coverage, such failure continues without cure for thirty (30) days after written notice from Landlord; or

(g) Any failure to perform or comply with any other covenant, condition, or representation made under this Lease; provided, Tenant will have a period of thirty (30) days from the date of delivery of written notice from Landlord of the failure within which to cure the default, or, if due to the nature of the default, it is not capable of cure within the 30-day period, then Tenant will have a reasonable period to complete the cure if Tenant promptly undertakes action to cure the default within the 30-day period then diligently prosecutes the cure to completion and uses its commercially reasonable efforts to complete the cure within sixty (60) days after the receipt of notice of default from Landlord;

(h) Any abandonment of the Premises continues for more than fourteen (14) consecutive days following written notice from Landlord to Tenant that the Premises have been abandoned; and

(i) The appointment of a receiver to take possession of all or substantially all of the assets of Tenant, or an assignment by Tenant for the benefit of creditors, or any action taken or suffered by Tenant under any insolvency, bankruptcy, reorganization, moratorium, or other debtor relief act or statute; and

(j) The delivery to Tenant of three (3) or more notices of monetary or other material default within any twelve (12) month period, irrespective of whether Tenant actually cures the default within the specified time period, may, in the sole and absolute discretion of Landlord, be deemed an incurable breach of this Lease allowing Landlord to seek its remedies for an Event of Default under this lease, at Law, or in equity without further notice or demand to Tenant.

15.2. ***Remedies***.

Landlord's Remedies Generally. Upon the occurrence and during the continuance of an Event of Default (but without obligation on the part of Landlord following the occurrence of an Event of Default to accept a cure of such Event of Default other than as required by Law or by this Lease), Landlord has all rights and remedies provided in this Lease or available at Law or in equity (including the right to seek injunctive relief or an order for specific performance, where appropriate). All of Landlord's rights and remedies are cumulative, and except as may be otherwise provided by applicable Law, the exercise of any one or more rights will not preclude the exercise of any other.

(a) Right to Keep Lease in Effect.

(i) Continuation of Lease. Landlord has the remedy described in California Civil Code Section 1951.4 (lessor may continue lease in effect after lessee's breach and abandonment and recover rent as it becomes due, if lessee has right to sublet or assign, subject only to reasonable limitations) under which Landlord may continue this Lease in full force and effect. In the event Landlord elects this remedy, Landlord has the right to enforce by suit or otherwise, all covenants and conditions hereof to be performed or complied with by Tenant and exercise all of Landlord's rights, including the right to collect Rent when due. Upon the occurrence of an Event of Default, Landlord may enter the Premises without terminating this Lease and relet them, or any part of them, to third parties for Tenant's account. Tenant will be liable immediately to Landlord for all reasonable costs Landlord incurs in reletting the Premises, including Attorneys' Fees and Costs, brokers' fees or commissions, expenses of remodeling the Premises required by the reletting and similar costs. Reletting can be for a period shorter or longer than the remaining Term, at such rents and on such other terms and conditions as Landlord determines in its sole discretion.

(ii) No Termination Without Notice. No act by Landlord allowed by this ***Section XX***, nor any appointment of a receiver upon Landlord's initiative to protect its interest under this Lease, nor any withholding of consent to a Transfer or termination of a Transfer in accordance herewith, will terminate this Lease, unless and until Landlord notifies Tenant in writing that Landlord elects to terminate this Lease.

(iii) Application of Proceeds of Reletting. If Landlord elects to relet the Premises as provided in ***Section 15.2(a)(i)***, the rent that Landlord receives from reletting will be applied to the payment of:

(1) First, all costs incurred by Landlord in enforcing this Lease, whether or not any action or proceeding is commenced, including Attorneys' Fees and Costs, brokers' fees or commissions, the costs of removing and storing Personal Property, costs in connection with reletting the Premises, or any portion thereof, altering, installing, modifying and constructing tenant improvements required for a new tenant, and costs of repairing, securing and maintaining the Premises or any portion thereof;

(2) Second, the payments of any indebtedness other than Rent due hereunder from Tenant to Landlord;

(3) Third, Rent due and unpaid under this Lease;

(4) After deducting the payments referred to in this ***Section XX***, any sum remaining from the rent Landlord receives from reletting will be held by Landlord and applied to monthly installments of future Rent as such amounts become due under this Lease. In no event will Tenant be entitled to any excess rent received by Landlord. If on a date Rent or other amount is due under the Lease, the rent received by Landlord as of such date from any reletting is less than the Rent or other amount due on that date, or if any costs incurred by Landlord in reletting, remain after applying the rent received from such reletting, Tenant will pay to Landlord such deficiency. Such deficiency will be calculated and paid monthly.

(iv) Payment of Rent. Tenant will pay to Landlord Rent on the dates the Rent is due, less the rent Landlord has received from any reletting which exceeds all costs and expenses of Landlord incurred in connection with an Event of Default and the reletting of all or any portion of the Premises.

(b) Right to Terminate Lease. Landlord may terminate this Lease at any time after the occurrence of (and during the continuation of) a Tenant Event of a Default by giving written notice of such termination. Termination of this Lease will thereafter occur on the date set forth in such notice. Acts of maintenance or preservation, and any appointment of a receiver upon Landlord's initiative to protect its interest hereunder will not in any such instance constitute a termination of Tenant's right to possession. No act by Landlord other than giving notice of termination to Tenant in writing will terminate this Lease. Upon termination of this Lease, Landlord has the right to recover from Tenant all sums allowed under California Civil Code Section 1951.2, including the following:

(i) The worth at the time of award of the unpaid Rent which had been earned at the time of termination of this Lease; plus

(ii) The worth at the time of award of the amount by which the unpaid Rent which would have been earned after the date of termination of this Lease until the time of award exceeds the amount of the loss of Rent that Tenant proves could have been reasonably avoided; plus

(iii) The worth at the time of award of the amount by which the unpaid Rent for the balance of the Term after the time of award exceeds the amount of the loss of Rent that Tenant proves could have been reasonably avoided; plus

(iv) Any other amount necessary to compensate Landlord for all detriment proximately caused by the Event of Default, or which in the ordinary course of things would be likely to result therefrom; and

(v) "The worth at the time of award" as used herein ***Sections 15.2(b)(i)***) and ***15.2(b)(ii)*** will be computed by allowing interest at a rate per annum equal to the Default Rate. "The worth at the time of award" as used in ***Section 15.2(b)(iii)*** will be computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of the award, plus one percent (1%).

(c) Interest. Rent not paid when due will bear interest at the Default Rate from the date due until paid.

(d) No Rights to Assign or Sublet. Upon the occurrence of an Event of Default, notwithstanding anything in ***Section 14*** (Assignment and Subletting), to the contrary, Tenant will have no right to sublet or assign its interest in the Premises or this Lease without Landlord's written consent, which may be given or withheld in Landlord's sole and absolute discretion.

(e) Continuation of Subleases and Other Agreements. Landlord has the right, at its sole option, to assume any and all Subleases and agreements by Tenant for the maintenance or operation of the Premises. Tenant hereby further covenants that, upon request of Landlord following an Event of Default and termination of Tenant's interest in this Lease, Tenant will execute, acknowledge and deliver to Landlord such further instruments as may be necessary or desirable to vest or confirm or ratify vesting in Landlord the then existing Subleases, and other agreements then in force, as above specified.

(f) Waiver of Redemption. Tenant hereby waives, for itself and all Persons claiming by and under Tenant, redemption or relief from forfeiture under California Code of Civil Procedure Sections 1174 and 1179, or under any other pertinent present or future Law, in the event Tenant is evicted or Landlord takes possession of the Premises by reason of any Event of Default.

(g) Appointment of Receiver. The right to have a receiver appointed for Tenant upon application by Landlord to take possession of the Premises and to apply any rental collected from the Premises and to exercise all other rights and remedies granted to Landlord under this Lease.

(h) Landlord's Right to Cure Tenant's Defaults. If Tenant defaults in the performance of any of its obligations under this Lease, then Landlord may at any time thereafter with thirty (30) days prior written notice (except in the event of an emergency as determined by Landlord where prior notice by Landlord is impractical), remedy the Event of Default on Tenant's behalf and at Tenant's expense. Tenant will pay to Landlord, as Additional Charges, promptly upon demand, all sums reasonably expended by Landlord including, without limitation, reasonable attorneys' fees, in remedying or attempting to remedy an Event of Default. Tenant's obligations under this Section will survive the termination of this Lease. Nothing in this Lease implies any duty of Landlord to perform any of Tenant's obligations under any provision of this Lease, and Landlord's cure or attempted cure of Tenant's Event of Default will not constitute a waiver of Tenant's Event of Default or any of Landlord's rights or remedies upon the occurrence a default or an Event of Default.

(i) Remedies Not Exclusive. The remedies set forth in this ***Section 15.2*** are not exclusive; they are cumulative and in addition to any and all other rights or remedies of Landlord now or later allowed by Law or in equity. Tenant's obligations hereunder will survive any termination of this Lease.

(j) Non-liability of Tenant's Members, Partners, Shareholders, Directors, Officers and Employees. None of Tenant's officers, directors, employees, boards (or any of the

persons acting by, through or under each of them, or their respective heirs, legal representatives, successors, and assigns, and each of them) will be personally liable to Landlord, and Landlord will have no recourse against any of the foregoing, in an Event of Default by Tenant or for any amount which may become due to Landlord or on any obligations under the terms of this Lease or any claim based upon this Lease.

15.3. ***Special Provisions Concerning Mortgagees and Events of Default***. Notwithstanding anything in this Lease to the contrary, the exercise by a Mortgagee of any of its remedies under its Mortgage made in accordance with ***Section 23*** (Mortgages) will not, in and of itself, constitute a default under this Lease. Landlord will also accept a cure of an Event of Default by any Tenant investor or a mezzanine lender; provided, however, such parties will not have any additional time to cure any Event of Default.

15.4. ***Default by Landlord; Tenant's Remedies***.

(a) Default by Landlord. Landlord will be deemed to be in default hereunder only if Landlord fails to perform or comply with any obligation on its part hereunder, and (i) such failure continues for more than the time of any cure period provided herein after written notice from Tenant , or, (ii) if no cure period is provided herein, for more than sixty (60) days after written notice thereof from Tenant (provided that Landlord will use reasonable efforts to cure such default within a thirty (30) day period after receipt of such written notice from Tenant), or, (iii) if such default cannot reasonably be cured within such sixty (60) day period, Landlord does not within such thirty (30)-day period commence with due diligence and dispatch the curing of such default, or, having so commenced, thereafter fails or neglects to prosecute or complete with diligence and dispatch the curing of such default.

(b) Tenant's Exclusive Remedies. Upon the occurrence of default by Landlord described above, Tenant will have the right to terminate this Lease and the right to seek [equitable relief, including specific performance, in accordance with applicable Laws and the provisions of this Lease where appropriate and where such relief does not impose personal liability on Landlord or its Agents].

(c) No Recourse Against Landlord. [Tenant will have no recourse with respect to, and Landlord will not be liable for, any obligation of Landlord under this Lease, or for any claim based upon this Lease, except to the extent of the fair market value of Landlord's interest in the Premises (as encumbered by this Lease)] and Tenant further agrees that neither Landlord nor the Indemnified Parties will be liable under any circumstances for injury or damage to, or interference with Tenant's business, including loss or profits, loss of rents or other revenues, loss of business opportunity, loss of goodwill or loss of use, in each case, however occurring. No commissioner, officer, or employee of the Indemnified Parties will be personally liable to Tenant, or any successor in interest, for any event of default by Landlord, and Tenant agrees that it will have no recourse with respect to any obligation of Landlord under this Lease, or for any amount which may become due Tenant or any successor or for any obligation or claim based upon this Lease, against any such Person. By Tenant's execution and delivery hereof and as part of the consideration for Landlord's obligations hereunder, Tenant expressly waives all such liability.

16. RELEASE AND WAIVER OF CLAIMS; INDEMNIFICATION.

16.1. ***Release and Waiver of Claims***.

Tenant, on behalf of itself and Tenant Parties, covenants and agrees that the Indemnified Parties will not be responsible for or liable to Tenant for, and, to the fullest extent allowed by any Laws, Tenant hereby waives all rights against the Indemnified Parties and releases them from, any and all Losses, including, but not limited to, incidental and consequential damages, relating to any injury, accident or death of any person or loss or damage to any property, in or about the Premises, from any cause whatsoever, including without limitation, partial or complete collapse of the Premises due to an earthquake or subsidence, except only to the extent those Losses are

caused solely by the active negligence or willful misconduct of the Indemnified Parties. Without limiting the generality of the foregoing:

(a) Tenant expressly acknowledges and agrees that the Rent does not take into account any potential liability of the Indemnified Parties for any consequential, incidental or punitive damages including, but not limited to, lost profits or inability of its players to practice arising out of disruption to Tenant's Permitted Use of the Premises. Landlord would not be willing to enter into this Lease in the absence of a complete waiver of liability for consequential, incidental or punitive damages due to the acts or omissions of the Indemnified Parties, and Tenant expressly assumes the risk with respect thereto. Accordingly, without limiting any indemnification obligations of Tenant or other waivers contained in this Lease and as a material part of the consideration for this Lease, Tenant fully RELEASES, WAIVES, AND DISCHARGES forever any and all claims, demands, rights, and causes of action for consequential, incidental and punitive damages and covenants not to sue the Indemnified Parties for damages arising out of this Lease or the Permitted Use, including, without limitation, any interference with uses conducted by Tenant regardless of the cause and whether or not due to the joint or concurrent, active or passive, negligence of the Indemnified Parties.

(b) [Omitted]

(c) Provided Tenant has not exercised its termination option set forth in ***Section 3.4(b)*** as part of Tenant's agreement to accept the Premises in its "As Is" condition, and without limiting that agreement or any waiver contained in this Lease, Tenant, on behalf of itself and its successors and assigns, waives its right to recover from, and forever RELEASES, WAIVES, AND DISCHARGES, the Indemnified Parties from any and all Losses, whether direct or indirect, known or unknown, foreseen and unforeseen, that may arise from, or in any way be connected with, the physical or environmental condition of the Premises as of the Commencement Date and any related improvements or any Laws or regulations applicable thereto or the suitability of the Premises for Tenant's intended use.

(d) Without limiting any other waiver contained in this Lease, Tenant, on behalf of itself and its successors and assigns, waives its right to recover from, and forever RELEASES, WAIVES, AND DISCHARGES, the Indemnified Parties from any and all Losses, whether direct or indirect, known or unknown, foreseen and unforeseen, that may arise on account of or in any way connected with the Indemnified Parties' default under this Lease, unless such default is or may be determined to be solely an act of gross negligence or willful misconduct of the Indemnified Parties.

(e) Tenant covenants and agrees never to file, commence, prosecute, or cause to be filed, commenced, or prosecuted against the Indemnified Parties any claim, action or proceeding based upon any claims, demands, causes of action, obligations, damages, losses, costs, expenses, or liabilities of any nature whatsoever encompassed by the waivers and releases set forth in this Lease (including, but not limited to, ***Sections 3.5***, ***10.1***, ***12.3***, ***16.1***, and ***18***).

(f) In agreeing to all of the waivers and releases contained in this Lease Tenant has not relied upon any representation or statement of any Indemnified Party.

(g) Tenant had made all investigations of the facts related to all of the waivers and releases as it has deemed necessary, and Tenant assumes the risk of mistake with respect to the facts and its investigations of the facts. The waivers and releases are intended to be final and binding on Tenant regardless of any claims of mistake.

(h) In connection with the releases contained in this Lease, Tenant acknowledges that it is familiar with Section 1542 of the California Civil Code, which reads:

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

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

BY PLACING ITS INITIALS BELOW, TENANT SPECIFICALLY ACKNOWLEDGES AND CONFIRMS THE VALIDITY OF THE WAIVERS AND RELEASES MADE ABOVE AND THE FACT THAT TENANT WAS REPRESENTED BY COUNSEL WHO EXPLAINED THE CONSEQUENCES OF THE WAIVERS AND RELEASES AT THE TIME THIS LEASE WAS MADE, OR THAT TENANT HAD THE OPPORTUNITY TO CONSULT WITH COUNSEL, BUT DECLINED TO DO SO.

Tenant's Initials

Tenant acknowledges that the releases contained in this Lease include all known and unknown, disclosed and undisclosed, and anticipated and unanticipated claims. Tenant knowingly has agreed to this Lease and the releases contained in this Lease, being fully aware of the ramifications of the releases, and Tenant nevertheless intends to waive the benefit of Civil Code Section 1542, and any statute or other similar law now or later in effect. The waivers and releases contained in this Lease will survive any termination of this Lease.

16.2. ***Tenant's Indemnity***. Tenant, on behalf of itself and Tenant Parties, will Indemnify the Indemnified Parties from and against any and all Losses arising out of Tenant's use of the Premises, including but not limited to, any Losses arising directly or indirectly, in whole or in part, out of: (a) any damage to or destruction of any property owned by or in the custody of Tenant or Tenant Parties; (b) any accident, injury to, or death of a person, including, without limitation, Tenant Parties, howsoever or by whomsoever caused, occurring on the Premises; (c) any default by Tenant in the observation or performance of any of the terms, covenants, or conditions of this Lease to be observed or performed on Tenant's part; (d) the use, occupancy, conduct, or management, or manner of use, occupancy, conduct, or management by Tenant, Tenant Parties, of the Premises or any improvements; (e) any construction or other work undertaken by or for Tenant on or about the Premises; and (f) any acts, omissions, or negligence of Tenant or Tenant Parties, in, on, or about the Premises or any improvements.

16.3. ***Scope of Indemnities***.

The Indemnification obligations of Tenant set forth in this Lease shall be enforceable regardless of the joint or concurrent, active or passive negligence of the Indemnified Parties, and regardless of whether liability without fault is imposed or sought to be imposed on the Indemnified Parties. The Indemnification obligations of Tenant set forth in this Lease shall be enforceable except to the extent that such Indemnity is void or otherwise unenforceable under applicable Law in effect on, or validly retroactive to, the date of this Lease. Except as specifically provided otherwise, the Indemnification obligations of Tenant set forth in this Lease shall exclude Losses resulting solely from the willful misconduct or gross negligence of the Indemnified Parties.

In addition to Tenant's obligation to Indemnify the Indemnified Parties, Tenant specifically acknowledges and agrees that it has an immediate and independent obligation to defend the Indemnified Parties from any claim which actually or potentially falls within the Indemnification obligations of Tenant set forth in this Lease, even if the allegations are or may be groundless, false or fraudulent. This Indemnification by Tenant shall begin from the first notice that any claim or demand is or may be made and shall continue at all times thereafter.

16.4. ***Survival***. The Indemnification provisions of ***Section 16*** and as set forth in this Lease shall survive the expiration or earlier termination of this Lease; provided, however, for any new claims arising after the expiration or earlier termination of this Lease, Landlord must notify

Tenant of its demand for Indemnification within three (3) years following the expiration or earlier termination of this Lease.

17. INSURANCE. [***Note: Insurance section, including types of coverage and amounts will be revised/refined after review by City Risk Manager and discussion with Tenant. Additional coverages may include, among other types of coverages, concessionaire liability coverage, medical professional liability, coverage for outdoor light apparatus, etc.***.

17.1. ***Required Insurance Coverage***. Tenant, at its sole cost and expense, must maintain, or cause to be maintained, through the Term of this Lease, the following insurance:

(a) Builders Risk Insurance. At all times during construction prior to completion of the Initial Improvements, and during any period of Subsequent Construction costing more than Five Hundred Thousand Dollars ($500,000), which amount will be increased by Two Hundred Fifty Thousand Dollars ($250,000) on each Periodic 10-Year Adjustment Date, Tenant will maintain, or require to be maintained, builders risk insurance (or its equivalent for any Subsequent Construction, which may include coverage under a property insurance program as required hereunder) in the amount equal to 100% of all new construction, including all materials and equipment to be used/incorporated on or about the Premises, and in transit or storage off-site, against all risk or "special form" hazards, including risks from any and all cold testing of any equipment, including as named insureds, Landlord and Tenant, with any deductible not to exceed Two Hundred Fifty Thousand ($250,000). Tenant is solely responsible for payment of any deductibles required under this policy. Such builders risk insurance also will extend to cover soft costs for any delayed completion period as caused by any of the perils or hazards set forth in and required to be insured pursuant to ***Section 17.1***, for a delay period of not less than two (2) years with a limit of not less than One Million Dollars ($1,000,000). If available at commercially reasonable rates, such builders risk insurance also will extend to cover the peril of terrorism.

(b) General Liability Insurance. Comprehensive or commercial general liability insurance, with limits not less than [Five Million Dollars ($5,000,000)] each occurrence, [XX Million Dollars ($XX,000,000)] aggregate for bodily injury and property damage, including coverages for contractual liability, independent contractors, property damage, personal injury, products and completed operations, fire damage and legal liability with limits not less than [Five Million Dollars ($5,000,000)], explosion, collapse and underground (XCU).

(c) Automobile Liability Insurance. Comprehensive or business automobile liability insurance with limits not less than One Million Dollars ($1,000,000) each occurrence combined single limit for bodily injury and property damage, including coverages for owned and hired vehicles and for employer's non-ownership liability, which insurance will be required if any automobiles or any other motor vehicles are operated in connection with Tenant's activity on the Premises or the Permitted Use.

(d) Worker's Compensation and Employer's Liability Insurance. If Tenant has employees, Worker's Compensation Insurance in statutory amounts with Employer's Liability with limits not less than One Million Dollars ($1,000,000.00) for each accident, injury, or illness, on employees eligible for each.

(e) Property Insurance. Tenant, at its sole cost and expense, shall procure and maintain on all of its personal property and Alterations, in, on, or about the Premises, property insurance on an all -risk form, excluding earthquake and flood, to the extent of full replacement value. Tenant may, at its sole option, self-insure risk of loss or damage to its property with the reasonable approval of the City's Risk Manager.

(f) Other Coverage. Any other insurance or different coverage amounts as is required by law or as is generally required by commercial owners of property similar in size, character, age and location as the Premises, as may change from time to time, or as may be required by the City's Risk Manager. Landlord may require Tenant's vendors and contractors to

carry the insurance that Landlord reasonably determines to be necessary and to name Landlord as an additional insured, and satisfactory evidence of that insurance must be delivered to Landlord before the vendor or contractor enters the Premises.

17.2. ***Claims-Made Policies***. If any of the insurance required in ***Section 17.1*** above is provided under a claims-made form of policy, Tenant must maintain the coverage continuously throughout the Term and without lapse for a period of three (3) years beyond the termination of this Lease, to the effect that if occurrences during the Term give rise to claims made after termination of this Lease, those claims will be covered by the claims-made policies.

17.3. ***Annual Aggregate Limits***. If any of the insurance required in ***Section 17.1*** above is provided under a form of coverage that includes an annual aggregate limit or provides that claims investigation or legal defense costs are included in the annual aggregate limit, the annual aggregate limit must be double the occurrence limits specified above.

17.4. ***Payment of Premiums***. Tenant will pay the premiums for maintaining all required insurance.

17.5. ***Waiver of Subrogation Rights***. Notwithstanding anything to the contrary contained herein, Landlord and Tenant (each a "Waiving Party") each waives any right of recovery against the other party for any loss or damage sustained by the other party with respect to the Island or the Premises or any portion thereof or the contents of the same or any operation therein, whether or not the loss is caused by the fault or negligence of the other party, to the extent the loss or damage is covered by insurance that is required to be purchased by the Waiving Party under this Lease or is actually covered by insurance obtained by the Waiving Party. Each Waiving Party agrees to cause its insurers to issue appropriate waiver of subrogation rights endorsements to all policies relating to the Facility or the Premises, but the failure to obtain the endorsement will not affect the above waiver.

17.6. ***General Insurance Matters***.

(a) All liability insurance policies required to be maintained by Tenant under this Lease must contain a cross-liability clause, will name as additional insureds the "THE TREASURE ISLAND DEVELOPMENT AUTHORITY, CITY AND COUNTY OF SAN FRANCISCO, AND THEIR OFFICERS, DIRECTORS, AND EMPLOYEES," and such other parties with insurable interests as Landlord may require, must be primary to any other insurance available to the additional insureds with respect to claims for which Tenant is responsible under this Lease, and must provide for severability of interests with respect to each additional insured.

(b) All insurance policies that Tenant is required to maintain under this Lease must be issued by an insurance company or companies reasonably acceptable to Landlord with an AM Best rating of not less than A-VIII and authorized to do business in the State of California.

(c) All insurance policies that Tenant is required to maintain under this Lease must provide that the carrier will endeavor to give (i) not less than thirty (30) days' prior written notice of cancellation to Tenant and Landlord, and (ii) not less than ten (10) days' notice prior written notice for cancellation due to non-payment of premium. The notice must be given in accordance with the notice provisions of ***Section 21.1*** below or by email.

(d) Tenant will deliver to Landlord certificates of insurance on an ACORD form or equivalent, evidencing the coverages and endorsements required in this Lease on or before the Effective Date, and upon renewal of each policy before expiration of the term of the policy.

(e) Not more often than every year and upon not less than sixty (60) days' prior written notice, Landlord may require Tenant to increase the insurance limits set forth in ***Section 17.1*** above if Landlord finds in its reasonable judgment that it is the general commercial

practice in San Francisco to carry insurance in amounts greater than those amounts carried by Tenant with respect to risks comparable to those associated with the use of the Premises.

(f) Tenant's compliance with the provisions of this Section will in no way relieve or decrease Tenant's indemnification obligations under this Lease or any of Tenant's other obligations or liabilities under this Lease.

18. ACCESS BY LANDLORD.

18.1. ***General Access***. Landlord reserves for itself and Landlord's Agents, the right to enter the Premises and any portion thereof at all reasonable times upon not less than one (1) business day prior written notice to Tenant (except in the event of an emergency) for any purpose.

18.2. ***Emergency Access***. In the event of any emergency, as reasonably determined by Landlord, Landlord may, at its sole option and without notice, enter the Premises and alter or remove any Alterations or Tenant's Personal Property on or about the Premises. Landlord will have the right to use any means Landlord considers appropriate to gain access to any portion of the Premises in an emergency. In that case, Landlord will not be responsible for any damage or injury to any property, or for the replacement of any property. Any entry during an emergency will not be deemed a forcible or unlawful entry onto or a detainer of, the Premises, or an eviction, actual or constructive, of Tenant from the Premises or any portion thereof.

18.3. ***No Liability***. Landlord will not be liable in any manner, and Tenant hereby waives any claims, for any inconvenience, disturbance, loss of business, nuisance or other damage arising out of Landlord's entry onto the Premises provided such entry is pursuant to and in accordance with the terms of this Lease and Landlord undertakes such entry in a commercially reasonable manner as to avoid materially interfering with Tenant's use of the Premises, except damage resulting directly and exclusively from the active negligence or willful misconduct of Landlord or Landlord's Agents and not contributed to by the acts, omissions, or negligence of Tenant or Tenant Parties.

19. SURRENDER.

19.1. ***Surrender of the Premises***. Upon the termination of this Lease, Tenant will surrender to Landlord the Premises in the same condition as of the Commencement Date, ordinary wear and tear excepted, and free and clear of all liens, easements and other encumbrances created or suffered by, through, or under Tenant. On or before the date of termination of this Lease, Tenant will, at its sole cost, remove any and all of Tenant's Personal Property from the Premises and demolish and remove any and all improvements from the Premises (except for any Alterations that Landlord agrees are to remain part of the Premises under ***Section 7.3*** above and except for the Initial Improvements and any Phase II Space Improvements none of which Tenant shall be obligated to remove). In addition, Tenant will, at its sole expense, repair any damage to the Premises resulting from the removal of Tenant's Personal Property and improvements and restore the Premises to their condition immediately before the Tenant's Personal Property was placed in the Premises and the improvements were constructed. In connection with any removal of improvements, Tenant will obtain all necessary permits and approvals, including, without limitation, any environmental permits, and execute any manifests or other documents necessary to complete the required demolition, removal, or restoration work. Tenant's obligations under this Section will survive the termination of this Lease. Any items of Tenant's Personal Property remaining on or about the Premises after the termination of this Lease may, at Landlord's option and after thirty (30) days written notice to Tenant, be deemed abandoned and in that case Landlord may dispose of the items in accordance with California Civil Code section 1980 et seq. or in any other manner allowed by Law.

19.2. ***No Holding Over***. Tenant will have no right to hold over beyond the expiration or earlier termination of this Lease without the prior written consent of Landlord, which consent Landlord may withhold in its sole and absolute discretion. If Landlord consents to Tenant's

holding over of the Premises or any part thereof after expiration or earlier termination of this Lease, Tenant will be considered a Tenant at sufferance on the terms and conditions of this Lease except that the holding over will be terminable upon 15-days written notice by Landlord and the Base Rent will be increased to one hundred fifty percent (150%) of the Base Rent in effect immediately before the holding over. Any failure of Tenant to surrender the Premises when and in the condition required by this ***Section 19*** will be considered holding over. If Tenant fails to surrender the Premises to Landlord upon the termination of this Lease when and in the condition required by this ***Section 19***, Tenant will Indemnify Landlord against all Losses resulting from Tenant's failure, including, without limitation, Losses made by a succeeding Tenant resulting from Tenant's failure to surrender the Premises. Acceptance of any holdover Rent by Landlord following expiration or termination of this Lease will not constitute an extension or renewal of this Lease. This Section will not be construed as Landlord's permission for Tenant to hold over.

20. HAZARDOUS MATERIALS; WELL PROTECTION.

20.1. *No Hazardous Materials*.

Tenant covenants and agrees that neither Tenant nor any Tenant Parties will cause or permit any material that, because of its quantity, concentration, or physical or chemical characteristics, is deemed by any federal, state or local governmental authority to pose a present or potential risk of injury to human health or safety the environment, or property, including, without limitation, any material or substance defined as "hazardous", "hazardous substance", "hazardous waste", "toxic", or "pollutant" or "contaminant" under the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA", also commonly known as the "Superfund" law), as amended (42 U.S.C. § 9601 et seq.), under California Health & Safety Code sections 25140 and 25281 or any other Environmental Law; any asbestos and asbestos containing materials whether or not those materials are part of the structure of any existing improvements on the Premises, or are naturally occurring substances on, in, or about the Premises; and petroleum, including crude oil or any fraction thereof, and natural gas or natural gas liquids (collectively, "Hazardous Material") to be brought upon, Handled in, on, or about the Premises or transported to or from the Premises without the prior written approval of Landlord, which approval may be withheld in Landlord's sole and absolute discretion; provided, however, prior Landlord approval is not required for any Hazardous Materials customarily utilized in connection with the construction of Tenant's Initial Improvements or other Improvements on the Premises so long as such Hazardous Materials are limited in the quantities required for such construction and Handled in accordance with all applicable Laws. "Handle" or "Handling" means to use, generate, process, manufacture, produce, package, treat, transport, store, emit, discharge, or dispose of a Hazardous Material.

Tenant will immediately notify Landlord if Tenant learns or has reason to believe there has been any Release of Hazardous Material in, on, or about the Premises. Landlord may from time to time request Tenant to provide adequate information for Landlord to determine if any Hazardous Material permitted on the Premises under the Lease is being Handled in compliance with all applicable federal, state, or local Laws or policies relating to Hazardous Material (including, without limitation, its use, handling, transportation, production, disposal, discharge, or storage) or to human health and safety, industrial hygiene or environmental conditions in, on, under, or about the Premises and any other property, including, without limitation, soil, air, and groundwater conditions ("Environmental Laws"), and Tenant will promptly provide that information. In addition to Landlord's rights under ***Section 18***, Landlord and Landlord's Agents have the right to inspect the Premises for Hazardous Material and compliance with the provisions of this ***Section 20*** at all reasonable times upon reasonable advance written notice to Tenant (except in the event of an emergency). Without limiting the foregoing, Tenant agrees that it will comply with San Francisco Health Code article 21, including, without limitation, obtaining and complying with the requirements of an approved hazardous materials management plan. Tenant agrees that it will comply with the restrictions or limitations set forth in the Navy Deed, the

Covenant to Restrict Use of Property (the "CRUP"), if any relate to the Premises, and any additional requirements imposed by regulators with jurisdiction over the Premises.

20.2. ***Tenant's Environmental Indemnity***.

If Tenant breaches any of its obligations contained in ***Section 20.1*** above, or, if any act or omission or negligence of Tenant or any Tenant Parties results in any Release or Exacerbation of Hazardous Material in, on, under, or about the Premises or the Island, without limiting Tenant's general Indemnity contained in ***Section 16.2*** above, Tenant, on behalf of itself and Tenant's Agents, will Indemnify the Indemnified Parties, and each of them, from and against any and all enforcement, investigation, remediation or other governmental or regulatory actions, agreements, or orders threatened, instituted or completed under any Environmental Laws together with any and all Losses made or threatened by any third party against Landlord, Landlord's Agents, or the Premises, relating to damage, contribution, cost recovery compensation, loss or injury resulting from the presence, Release, or discharge of any Hazardous Materials, including, without limitation, Losses based in common law, investigation, and remediation costs, fines, natural resource damages, damages for decrease in value of the Premises, the loss or restriction of the use or any amenity of the Premises and attorneys' fees and consultants' fees and experts' fees and costs ("**Hazardous Materials Claims**") arising during or after the Term and relating to the Release. The foregoing Indemnity includes, without limitation, all costs associated with the investigation and remediation of Hazardous Material and with the restoration of the Premises or the Island to its prior condition including, without limitation, fines and penalties imposed by regulatory agencies, natural resource damages and losses, and revegetation of the Premises or other property. Without limiting the foregoing, if Tenant or any Tenant Parties, causes or permits the Release of any Hazardous Materials in, on, under, or about the Premises or the Island, Tenant will, immediately, at no expense to Landlord, take all appropriate actions to return the Premises or other property affected by the Release to the condition existing before the Release and otherwise investigate and remediate the Release in accordance with all Environmental Laws. Tenant will provide Landlord with written notice of and afford Landlord a full opportunity to participate in any discussions with governmental regulatory agencies regarding any settlement agreement, cleanup or abatement agreement, consent decree, permit, approvals, or other compromise or proceeding involving Hazardous Material.

"**Exacerbate**" or "**Exacerbating**" when used with respect to Hazardous Materials means any act or omission that increases the quantity or concentration of Hazardous Materials in the affected area, causes the increased migration of a plume of Hazardous Materials in soil, groundwater, or bay water, causes a Release of Hazardous Materials that had been contained until the act or omission, or otherwise requires Investigation or Remediation that would not have been required but for the act or omission. Exacerbate also includes the disturbance, removal or generation of Hazardous Materials in the course of Tenant's operations, Investigations, maintenance, repair, improvements and Alterations under this Lease. "Exacerbation" has a correlating meaning.

"**Investigate**" or "**Investigation**" when used with reference to Hazardous Materials means any activity undertaken to determine and characterize the nature and extent of Hazardous Materials that have been, are being, or are threatened to be Released in, on, under or about the Premises or the environment, and includes, without limitation, preparation and publication of site history, sampling, and monitoring reports, performing equipment and facility testing such as testing the integrity of secondary containment and above and underground tanks, and sampling and analysis of environmental conditions before, during, and after Remediation begins and continuing until the appropriate environmental regulatory agency has issued a no further action letter, lifted a clean-up order, or taken similar action.

"**Release**" when used with respect to Hazardous Materials means any spilling, introduction, leaking, pumping, pouring, emitting, discharging, injecting, escaping, leeching, disposing, or dumping of Hazardous Materials.

"**Remediate**" or "**Remediation**" when used with respect to Hazardous Materials means to clean up, abate, contain, treat, stabilize, monitor, remediate, remedy, remove, or otherwise control Hazardous Materials, or to restore the affected area to the standard required by the applicable environmental regulatory agency in accordance with applicable Environmental Laws. "Remediation" also includes the creation of a remedial work plan to be approved by the appropriate environmental regulatory agency when required.

20.3. ***Acknowledgment of Receipt of EBS and FOST; Building 258***.

(a) Acknowledgment of Receipt of EBS and FOST. Tenant hereby acknowledges for itself and Tenant Parties that, before the execution of this Lease, Tenant has received and reviewed the Environmental Baseline Survey ("EBS") and the Finding of Suitability to Transfer ("FOST") issued by the Navy. California law requires landlords to disclose to tenants the presence or potential presence of certain Hazardous Materials. Accordingly, Tenant is hereby advised that occupation of the Premises may lead to exposure to Hazardous Materials such as, but not limited to, gasoline, diesel, and other vehicle fluids; vehicle exhaust; office maintenance fluids; tobacco smoke; methane; and building materials containing chemicals, such as formaldehyde. Further, there are Hazardous Materials located on the Premises as described in the EBS and the FOST. In addition, California's Proposition 65 (California Health & Safety Code section 25249.6 et seq.), requires notice that some of these Hazardous Materials are known by the State of California to cause cancer or reproductive harm. By execution of this Lease, Tenant acknowledges that the notices and warnings set forth above satisfy the requirements of California Health & Safety Code section 25249.6 et seq., section 25359.7, and related statutes.

(b) Building 258. The Parties acknowledge that Building 258 may contain Hazardous Materials, including asbestos and agree that the ongoing presence of Building 258 shall not constitute a violation of this Lease's provisions regarding Hazardous Materials. The anticipated demolition of Building 258 shall occur in accordance with the Tenant's Work Letter.

20.4. ***Well Protection***. [***Note: May not be applicable***]

(a) Standard Requirements. Landlord has adopted a Well Protection Plan for protection of soil vapor and groundwater wells associated with the Navy environmental cleanup program [a copy will be provided by staff on request]. Tenant is responsible for compliance with the Well Protection Plan for any well located within the Premises. Tenant must keep wells within the Premises visible and accessible at all times. Visibility is defined as no equipment, vehicles, soil, fill material, or other objects or structures placed over top of the well or within a five-foot radius from the center of the well. Accessibility is defined as a five-foot wide path to the well that is free of obstacles. Accessibility must be maintained to support observation and sampling of the well by the Landlord and its agents and regulators. For wells located in indoor, unoccupied spaces, tenant must keep the building locked to the public to limit access. Any bollards protecting wells must be kept in good condition and free of damage. Tenant shall avoid vehicle operation over existing wells to limit damage. Tenant must report any well damage to wells within the Premises to Landlord within 24 hours. Damage is defined as broken or cracked well lid, broken or cracked well collar, or broken or cracked concrete associated with well construction. Tenant is informed that the Navy or Landlord may enter the Premises to observe or sample wells.

(b) Building Demolition. If Tenant demolishes a building containing interior wells, the Tenant will notify Landlord who will notify the Department of Toxic Substances Control (DTSC) of demolition no later than 30 days prior to the start of demolition activities. Tenant will notify demolition contractors of the presence of wells within the building before beginning demolition and the need to protect the wells during demolition in accordance with the Well Protection Plan. During demolition activities, wells within the building must be covered by a five-foot -by -five-foot trench steel plate of 0.25-inch minimum thickness painted a bright color prior to demolition activities. Contractors will keep the plate in place through placement of

asphalt around the perimeter of the plate or through implementation of other methods that mitigate movement of the plate. The plate will remain in place atop the well through completion of demolition. Exterior wells within 50 feet of the external walls must be protected by surrounding the well with chain link fencing during demolition.

The Tenant will instruct demolition contractors to leave the building slab intact where possible. If the building slab is required to be demolished during building demolition, slab demolition will be conducted following demolition of above-slab building components. An 8-foot by 8-foot box section of slab centered around each well will be saw-cut and the slab within the 8 by 8 -foot box will be removed using hand tools only. Following slab demolition by hand, metal sleeves extending 2-3 feet above the ground surface will be placed to fit around the well covers and brightly painted. Additional protective measures detailed in previous section (Standard Requirements) will also be evaluated for implementation following building demolition. Following completion of demolition activities, the structural integrity and condition of the wells will be evaluated by visual inspection and tagging the depth of the well. If wells have sustained damage to the point at which the well can no longer serve its purpose, the impacted wells must be properly decommissioned and reinstalled.

Wells located within buildings proposed for demolition that are deemed no longer essential by the Navy, DTSC, and the San Francisco Bay Regional Water Quality Control Board (Regional Water Board) must be properly decommissioned prior to the start of demolition activities. If the condition of the building in which the wells are located cannot support well decommissioning due to access restraints or health and safety hazards, steel plates will be placed over the wells as described above. In this case, well decommissioning shall be completed following completion of demolition.

Wells located from within the area in which Tenant will be constructing its Tenant Improvements can be relocated as necessary, subject to the reasonable review and approval of Landlord and/or Navy, as appropriate. Such consent from Landlord shall not be unreasonably withheld.

(c) Subsurface/Utility Excavation. Tenant is required to obtain a dig permit before any excavation or soil handling activities within the Premises. If Tenant completes subsurface excavation activities in proximity to wells, a minimum of five feet between the edge of the well cover and the wall of the excavation must be maintained. Before the start of work, contractors will be made aware of all wells and protective measures, ensuring the five -foot protective area and that equipment, haul trucks, and stockpiles are not stationed atop of wells. Excavation equipment is prohibited from accessing the excavation from the side with a well located five feet from the edge of the excavation. Additional protective measures detailed in the Standard Requirements section will also be evaluated for implementation during subsurface excavation. Following completion of excavation activities, contractors will assess the structural integrity and condition of wells within five feet of the excavation by visual inspection and tagging the depth of the well. If wells have sustained damage to the point at which the well can no longer serve its purpose, the impacted wells must be properly decommissioned and reinstalled. If the scope of work requires excavation within the five-foot minimum separation distance, the well will require abandonment prior to commencement of excavation and reinstallation, if needed, following completion of work.

(d) Staged Soil Management. Landlord has adopted a Contingency Plan for environmental management on former Navy properties [a copy will be provided by staff on request]. Tenant is responsible for compliance with the Contingency Plan within the Premises. Tenant may not stockpile or manage soil, fill materials, or construction debris that may be impacted by environmental contaminants. If Tenant (or a party acting by or through Tenant) fails to comply with this requirement, Tenant will be responsible, at no cost to Landlord, for corrective action to address the stockpile in the manner prescribed in the Contingency Plan. In accordance with plans approved by Landlord (which approval Landlord will not unreasonably

withhold, condition or delay), Tenant may temporarily stockpile construction debris (asphalt, concrete, brick, rock, lumber, etc.) as long as the debris is not mixed with soil, does not exhibit visual or olfactory indicators of contamination, and is not staged on lands currently subject to a CRUP or other environmental controls. Tenant will place such stockpiles on plastic sheeting and cover the temporary stockpile in plastic sheeting and sand wattles surrounded by bright cones. Tenant will immediately report to Landlord any illegal dumping of soil or other material within the Premises, unauthorized visitors or suspicious hauling vehicles. Landlord requests that tenants leasing space within Navy environmental cleanup Site 24 maintain security cameras and make video recording available to Landlord upon request in the event of illegal dumping.

(e) Import Soils and Fill Material. Tenant is advised that the import of soil or fill materials within the Premises is prohibited unless performed in strict accordance with a process approved and overseen by the DTSC. Provisions of this process include analytical testing of any soil or fill material for potential environmental contaminants and comparison of results of allowable concentrations for import fill. If import of soils or fill materials are needed, Tenant will notify Landlord for assistance performing the required sampling.

(f) Accidental Fuel Spills. Tenant will report all spills of fuels or other potentially hazardous liquids to the California Office of Emergency Services State Warning Center and the Unified Program Agency or 911 and to Landlord. Landlord will notify DTSC and Regional Water Board within 48 hours of discovery. In the event of a spill within the Premises, Tenant will contain or remove the spill source. Tenant will use roll-off bins or 55-gallon drums to control standing liquid. Absorbent material and pumping will be implemented by Tenant for active leaks. If removal of impacted soils is required due to a spill, Tenant will obtain a USA ticket and dig permit 72 hours before remediation activities and will perform the soil remediation in accordance with the Contingency Plan.

(g) Vapor Intrusion Assessment. Tenant is advised that recorded environmental land use covenants and restrictions on some properties may require periodic indoor air sampling by Landlord to confirm acceptable indoor air quality. Tenant will provide reasonable access to Landlord to perform this sampling if and when required.

(h) Site Reconnaissance. In accordance with the Contingency Plan, Landlord is required periodically to perform a site reconnaissance of leased spaces to observe general environmental conditions and confirm that environmental best practices are being utilized. Tenant will notify Landlord if they observe any potential environmental contaminations issues, such as insufficient protection of groundwater and soil gas monitoring wells, handling of hazardous materials, or poor environmental housekeeping.

20.5. ***Notification of Asbestos***.

Landlord hereby notifies Tenant, in accordance with the OSHA Asbestos Rule (1995), 59 Fed. Reg. 40964, 29 CFR §§ 1910.1001, 1926.1101 (as amended, clarified and corrected) (OSHA Asbestos Rule); California Health and Safety Code §§ 25915-259.7 and Cal-OSHA General Industry Safety Order for Asbestos, 8 CCR § 5208, of the presence of asbestos-containing materials ("ACMs") and/or presumed asbestos-containing materials ("PACMs") (as such terms are defined in Cal-OSHA General Industry Safety Order for Asbestos), in the locations identified in the summary/table, if any, set forth in ***Schedule 1*** attached hereto.

This notification by Landlord is made pursuant to a building inspection survey(s), if any, performed by Landlord or its contractors qualified to perform an asbestos building survey identified in the summary/table, if any, set forth in ***Schedule 1*** attached hereto. Such survey(s), monitoring data and other information are kept at the Landlord's offices and are available for inspection upon request.

Tenant hereby acknowledges receipt of the notification specified in the first paragraph of ***Section 20.5*** hereof and the notice or report attached as ***Schedule 1*** hereto and understands, after having consulted its legal counsel, that it must make its employees and contractors aware of the

presence of ACMs and/or PACMs in or about the Premises in order to avoid or minimize any damage to or disturbance of such ACMs and/or PACMs. Tenant further acknowledges its obligations under Cal-OSHA General Industry Safety Order for Asbestos to provide information to its employees and contractors regarding the presence of ACMs and PACMs at the Premises and to provide a training program for its employees that conforms with 8 CCR § 5208(j)(7)(C).

Tenant agrees that its waiver of claims set forth in ***Section 16*** (Release and Waiver of Claims; Indemnification) is given with full knowledge of the presence, or possibility, of asbestos in or about the Premises and the potential consequences of such fact. Tenant is aware that the presence, or possibility, of asbestos in or about the Premises may limit Tenant's ability to construct Alterations to the Premises without Tenant first performing abatement of such asbestos. The presence of asbestos in, on or around the Premises shall not, however, (i) entitle Tenant to any Losses, (ii) relieve Tenant of any of its obligations hereunder, including without limitation the obligation to pay Rent, or (iii) constitute or be construed as a constructive or other eviction of Tenant.

Notwithstanding any other provisions of this Lease, Tenant agrees to Indemnify Landlord for Tenant's acts or omissions that result in (1) asbestos-related enforcement actions, including both administrative or judicial proceedings, and (2) any Losses arising from an alleged violation of Cal-OSHA General Industry Safety Order for Asbestos and/or exposures to asbestos.

20.6. ***Notification of Lead***.

Landlord hereby notifies Tenant of the potential presence of lead-containing and presumed lead-containing materials in the Premises. Disturbance or removal of lead is regulated by, among other Laws, 29 CFR §§ 1910.1025, 1926.62; California Health & Safety Code §§ 105185-105197 and 105250-105257; Cal-OSHA Construction Safety Order for Lead, Title 8 CCR § 1532.1; Title 17 CCR Chapter 8; and Landlord Building Code § 3424.

Tenant agrees that its release and waiver of claims set forth in ***Section 16*** (Release and Waiver of Claims; Indemnification) is given with full knowledge of the presence, or possibility, of lead in or about the Premises and the potential consequences of such fact. Tenant is aware that the presence, or possibility, of lead in or about the Premises may limit Tenant's ability to perform any Alterations to the Premises without Tenant first performing abatement of such lead. The presence of lead in the Premises and the removal or non-removal by Landlord of all or a portion of the lead, in, on or around the Premises shall not, however, (i) entitle Tenant to any Losses, (ii) relieve Tenant of any of its obligations hereunder, including without limitation the obligation to pay Rent, or (iii) constitute or be construed as a constructive or other eviction of Tenant. Notwithstanding any other provisions of this Lease, Tenant agrees to Indemnify Landlord for its acts or omissions that result in (1) lead-related enforcement actions, including both administrative or judicial proceedings, and (2) any Losses arising from an alleged violation of Cal-OSHA Construction Safety Order for Lead and/or exposures to lead.

21. GENERAL PROVISIONS.

21.1. ***Notices***. Except as otherwise expressly provided in this Lease, any notice will be effective only if the notice is in writing and given by (a) delivering the notice in person, (b) certified mail with a return receipt requested, or (c) reliable commercial overnight courier, return receipt requested, with postage prepaid, to the appropriate addresses set forth in the Basic Lease Information. Any notice will be deemed to have been given on the date delivery is made to or refused by the receiving Party. Any Party may designate a new address for notice purposes at least ten (10) days before the effective date of the change. For convenience of the Parties, copies of notices may also be given by email to the email address set forth in the Basic Lease Information or such other address as may be provided from time to time; however, neither Party may give official or binding notice by email and the date that a notice is deemed given will be the date determined under this Section above, regardless of the receipt of a notice by email.

21.2. ***No Implied Waiver***. No failure by either party to insist upon the strict performance of any obligation of the other party under this Lease or to exercise any right, power or remedy under this Lease, irrespective of the length of time for which such failure continues (including Landlord's acceptance of full or partial Rent from Tenant) shall constitute a waiver of any breach or of either party's rights to demand strict compliance with any Lease term, covenant or condition, and no acceptance of the keys to or possession of the Premises before the expiration of the Term by Landlord or any of Landlord's Agents, will constitute a waiver of a breach or of Landlord's right to demand strict compliance with the term, covenant, or condition, or operate as a surrender of this Lease. No express written waiver of any default or the performance of any provision will affect any other default or performance, or cover any other period, other than the default, performance, or period specified in the express waiver. One or more written waivers of a default or the performance of any provision hereof will not be deemed a waiver of any subsequent default or performance. The consent of Landlord given in any instance under the terms of this Lease will not relieve Tenant of any obligation to secure the consent of Landlord in any other instance under the terms of this Lease.

21.3. ***Amendments***. Neither this Lease nor any term or provision hereof may be changed, waived, discharged, or terminated, except by a written instrument signed by the Parties.

21.4. ***Authority***. If Tenant signs as a corporation, a partnership, or a limited liability company, Tenant covenants and warrants that Tenant is a duly authorized and existing entity, that Tenant has and is qualified to do business in California, that Tenant has full right and authority to enter into this Lease, and that each and all of the persons signing on behalf of Tenant are authorized to do so. Upon Landlord's request, Tenant will provide Landlord with evidence reasonably satisfactory to Landlord confirming the foregoing representations and warranties. Without limiting the generality of the foregoing, Tenant represents and warrants that it has full power to make the waivers and releases, Indemnities, and the disclosures in this Lease, and that it has received independent legal advice from its attorney as to the advisability of entering into a Lease containing those provisions and their legal effect.

21.5. ***Joint and Several Obligations***. The term "Tenant" in this Lease includes the plural as well as the singular. If there is more than one Tenant, the obligations and liabilities under this Lease imposed on Tenant are joint and several.

21.6. ***Interpretation of Lease***. The captions preceding the articles and sections of this Lease and in the table of contents have been inserted for convenience only and will in no way define or limit the scope or intent of any provision of this Lease. This Lease has been negotiated at arm's length between persons sophisticated and knowledgeable in the matters dealt with in this Lease and will be interpreted to achieve the intents and purposes of the Parties, without any presumption against the party responsible for drafting any part of this Lease. Provisions in this Lease relating to number of days are calendar days, unless otherwise specified, provided that if the last day of any period to give notice, reply to a notice, or to take an action occurs on a Saturday, Sunday or a bank or City holiday, then the last day for undertaking the action or giving or replying to the notice will be the next succeeding business day. As used in this Lease, "business day" means any weekday during which businesses are generally open for business (8 a.m.—5 p.m.), excluding local, state, and federal holidays observed by the City. Use of the word "including" or similar words will not be construed to limit any general term, statement, or other matter in this Lease, whether or not language of non-limitation, such as "without limitation" or similar words, are used. Unless otherwise provided in this Lease, whenever the consent of either party is required, the approving party shall not unreasonably withhold, condition or delay its consent.

21.7. ***Successors and Assigns***. Subject to the provisions of ***Section 14***, the terms, covenants, and conditions contained in this Lease will bind and inure to the benefit of Landlord and Tenant and, except as otherwise provided in this Lease, their personal representatives and successors and assigns; provided, however, that upon any transfer by Landlord of its interest in

the Premises as lessor, including any transfer by operation of Law, and Landlord's transfer of the Security Deposit to the transferee, Landlord will be relieved from all obligations and liabilities arising under this Lease from and after the transfer.

21.8. ***Brokers***. Neither party has had any contact or dealings regarding the leasing of the Premises, or any communication in connection with leasing the Premises, through any licensed real estate broker or other person who could claim a right to a commission or finder's fee in connection with the Lease contemplated herein. If any broker or finder perfects a claim for a commission or finder's fee based upon any contact, dealings, or communication, then the party through whom the broker or finder makes a claim will be responsible for the commission or fee and will Indemnify the other party from any and all Losses incurred by the indemnified party in defending against the claim. The provisions of this Section will survive the expiration or termination of this Lease.

21.9. ***Severability***. If any provision of this Lease or the application of the provision to any person, entity, or circumstance is, to any extent, invalid or unenforceable, the remainder of this Lease, or the application of the provision to persons, entities or circumstances other than those to which it is invalid or unenforceable, will not be affected, and each other provision of this Lease will be valid and be enforceable to the fullest extent permitted by Law.

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

21.11. ***Entire Agreement***. This instrument (including the attached exhibits and addendum, if any) contains the entire agreement between the Parties and supersedes all prior written or oral negotiations, discussions, understandings, and agreements. The Parties further intend that this Lease will constitute the complete and exclusive statement of its terms and that no extrinsic evidence whatsoever (including prior drafts of this Lease and any changes to those drafts) may be introduced in any judicial, administrative, or other legal proceeding involving this Lease. Tenant hereby acknowledges that neither Landlord nor Landlord's Agents have made any representations or warranties about the Premises or this Lease, and no rights, easements, or licenses are or will be acquired by Tenant by implication or otherwise unless expressly set forth in this Lease.

21.12. ***Attorneys' Fees***. If either Landlord or Tenant fails to perform any of its obligations under this Lease or if a dispute arises concerning the meaning or interpretation of any provision of this Lease, then the defaulting party or the party not prevailing in the dispute, as the case may be, will pay any and all costs and expenses incurred by the other party in enforcing or establishing its rights (whether or not the action is prosecuted to judgment), including, without limitation, court costs and reasonable attorneys' fees. For purposes of this Lease, reasonable fees of attorneys in the Office of the San Francisco City Attorney (Landlord's General Counsel) will be based on the fees regularly charged by private attorneys with the equivalent number of years of experience in the subject matter area of the law for which the City Attorney's services were rendered who practice in the City and County of San Francisco in law firms with approximately the same number of attorneys as employed by the Office of the City Attorney. Further, for purposes of this Lease, the term "attorneys' fees" means the fees and expenses of counsel to the Parties, which may include printing, duplicating, and other expenses, air freight charges, hiring of experts, and fees billed for law clerks, paralegals, librarians, and others not admitted to the bar

but performing services under the supervision of an attorney. The term "attorneys' fees" also includes, without limitation, all fees and expenses incurred with respect to appeals, mediations, arbitrations, and bankruptcy proceedings, and whether or not any action is brought with respect to the matter for which the fees and costs were incurred. "Attorney" has the same meaning as "counsel."

21.13. ***Time of Essence***. Time is of the essence with respect to all provisions of this Lease in which a definite time for performance is specified.

21.14. ***Cumulative Remedies***. All rights and remedies of either party set forth in this Lease are cumulative, except as may otherwise be provided in this Lease.

21.15. ***Survival of Indemnities***. Termination of this Lease will not affect the right of either party to enforce any and all indemnities and representations and warranties given or made to the other party under this Lease, and it will not affect any provision of this Lease that expressly states it will survive termination hereof. Tenant specifically acknowledges and agrees that, with respect to each of the indemnities contained in this Lease, Tenant has an immediate and independent obligation to defend Landlord and the other Indemnified Parties from any claim that actually or potentially falls within the indemnity provision even if the claim is or may be groundless, fraudulent, or false, which obligation arises at the time the claim is tendered to Tenant by Landlord and continues at all times thereafter.

21.16. ***Relationship of Parties***. Landlord is not, and none of the provisions in this Lease will be deemed to render Landlord, a partner in Tenant's business, or joint venture, or member in any joint enterprise with Tenant. This Lease is not intended and it will not be construed to create any third -party beneficiary rights in any third party, unless otherwise expressly provided in this Lease.

21.17. ***Recording***. On or after the Commencement Date, the Parties may record a memorandum of this Lease in the official records of the City and County of San Francisco.

21.18. ***Non-Liability of Indemnified Parties' Officials, Employees and Agents***. No Indemnified Party will be personally liable to Tenant, its successors and assigns, and Tenant will have no recourse against any of the Indemnified Parties in the event of any default or breach by Landlord or for any amount that may become due to Tenant, its successors and assigns, or for any obligation of Landlord under this Lease or any claim based upon this Lease.

21.19. ***Force Majeure***. Except as specified in this ***Section 21.19***, for all purposes of this Lease, a party whose performance of its obligations hereunder is hindered or affected by events of Force Majeure shall not be considered in breach of or in default of its obligations hereunder resulting from Force Majeure effective upon the other party's receipt of written notice describing with reasonable particularity the facts and circumstances constituting Force Majeure and citing this ***Section 21.19***, and performance of the Lease obligation shall be extended on a day for day basis (unless the parties mutually agree to a longer time frame in writing) during the Force Majeure event, but in no event will any Force Majeure delay affecting a Party's obligations during any 2-year period exceed twelve (12) months in the aggregate as to such Party. The provisions of this ***Section 21.19*** shall not apply to the terms of the Landlord's Delivery Condition Letter and the Tenant's Work Letter, each of which have their own force majeure provisions. As used in this Lease, "Force Majeure" means events that cause delays due to causes beyond a party's control and not caused by the acts or omissions of such party, including: acts of nature or of the public enemy; war; invasion; insurrection; riots; any general moratorium in the issuance of governmental approvals; fires; floods; tidal waves; epidemics; pandemics; quarantine restrictions; freight embargoes; earthquakes; unusually severe weather (but only if such unusually severe weather causes actual delays); delays of contractors or subcontractors due to any of the foregoing causes; the unanticipated presence of Hazardous Materials or other concealed conditions on the Premises that would not have reasonably been discovered through due diligence and that would actually delay or materially and adversely impair or delay the

construction of improvements or the performance of repairs, maintenance or replacements; archeological finds on the Premises; strikes and substantial interruption of work because of labor disputes (excluding strikes and labor disputes directly related to any contracts between Tenant and its contractors or work performed on behalf of Tenant); inability to obtain materials or reasonably acceptable substitute materials (provided that Tenant has ordered such materials on a timely basis and Tenant is not otherwise at fault for such inability to obtain materials).

21.20. ***Counterparts***. This Lease may be executed in two or more counterparts, each of which will be deemed an original, but all of which taken together will constitute the same instrument.

22. SPECIAL PROVISIONS.

22.1. ***Signs***. Tenant may erect such signage, banners, scoreboards (including scoreboards with sponsor or advertiser logos and similar logos and marks) and building signage within the initial Premises as may be allowed under applicable Law without Landlord's consent.

22.2. ***Public Transit Information***. Tenant, at its sole expense, will establish and carry on during the Term a program to encourage maximum use of public transportation by personnel of Tenant employed on the Premises, if any, for which the Premises is such personnel's regular place of employment, including, without limitation, distributing written material to its employees explaining the convenience and availability of public transportation facilities adjacent or near the Premises and encouraging use of those facilities.

22.3. ***One Treasure Island Job Broker***. Tenant will comply with the requirements of the One Treasure Island Work Force Hiring Plan attached hereto as ***Exhibit E***.

22.4. ***Local Hiring Requirements***. Any undefined, initially-capitalized term used in this Section has the meaning given to that term in San Francisco Administrative Code Section 23.62 (the "Local Hiring Requirements"). Tenant Improvements and Alterations under this Lease are subject to the Local Hiring Requirements unless the cost for such work is (i) estimated to be less than the Threshold Amount (as defined in San Francisco Administrative Code Section 6.1) per building permit; (ii) is in connection with the set-up, execution and strike of special events of three (3) or fewer days costing in excess of the Threshold Amount; or (iii) meets any of the other exemptions in the Local Hiring Requirements. Tenant agrees that it will comply with the Local Hiring Requirements to the extent applicable. Before starting any Tenant Improvements or Alterations, Tenant shall contact City's Office of Economic Workforce and Development ("OEWD") to determine whether the work is a Covered Project subject to the Local Hiring Requirements. Tenant will include, and will require its subtenants to include, a requirement to comply with the Local Hiring Requirements in any contract for a Covered Project with specific reference to San Francisco Administrative Code Section 23.62. Each contract must name the City and County of San Francisco as a third-party beneficiary for the limited purpose of enforcing the Local Hiring Requirements, including the right to file charges and seek penalties. Tenant will cooperate, and require its subtenants to cooperate, with the City in any action or proceeding against a contractor or subcontractor that fails to comply with the Local Hiring Requirements when required. Tenant's failure to comply with its obligations under this Section will constitute a material breach of this Lease. A contractor's or subcontractor's failure to comply with this Section will enable the City to seek the remedies specified in San Francisco Administrative Code Section 23.62 against the breaching party.

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

(a) Covenant Not to Discriminate. In the performance of this Lease, Tenant covenants and agrees not to discriminate on the basis of the fact or perception of a person's race, color, creed, religion, national origin, ancestry, age, sex, sexual orientation, gender identity, domestic partner status, marital status, disability or Acquired Immune Deficiency Syndrome or HIV status (AIDS/HIV status), weight, height, association with members of classes protected under Articles 131 or 132 of Division II of the San Francisco Labor and Employment Code

(formerly Chapter 12B and 12C of the San Francisco Administrative Code) or in retaliation for opposition to any practices forbidden under Articles 131 or 132 of Division II of the Labor and Employment Code against any employee of Tenant, any City and County employee working with Tenant, any applicant for employment with Tenant, or any person seeking accommodations, advantages, facilities, privileges, services, or membership in all business, social, or other establishments or organizations operated by Tenant in the City and County of San Francisco.

(b) Subleases and Other Contracts. Tenant shall include in all subleases and other contracts relating to the Premises a non-discrimination clause applicable to such subtenant or other contractor in substantially the form of ***Section 22.5(a)*** above. In addition, Tenant shall incorporate by reference in all subleases and other contracts the provisions of Sections 131.2(a), 131.2(c) – (k), and 132.3 of the Labor and Employment Code (formerly, sections 12B.2 (a), 12B.2(c) - (k) and 12C.3 of the Administrative Code) and shall require all subtenants and other contractors to comply with such provisions.

(c) Nondiscrimination in Benefits. Tenant does not as of the date of this Lease and will not during the Term, in any of its operations in San Francisco or where the work is being performed for the City, discriminate in the provision of bereavement leave, family medical leave, health benefits, membership or membership discounts, moving expenses, pension and retirement benefits or travel benefits (collectively "Core Benefits") as well as any benefits other than the Core Benefits between employees with domestic partners and employees with spouses, and/or between the domestic partners and spouses of such employees, where the domestic partnership has been registered with a governmental entity pursuant to state or local Law authorizing such registration, subject to the conditions set forth in Section 131.2 of the Labor and Employment Code.

(d) CMD Form. On or prior to the Lease Commencement Date, Tenant shall execute and deliver to Landlord the "Nondiscrimination in Contracts and Benefits" form approved by the CMD.

(e) Penalties. Tenant understands that pursuant to Section 131.2(h) of the Labor and Employment Code, a penalty of $50.00 for each person for each calendar day during which such person was discriminated against in violation of the provisions of this Lease may be assessed against Tenant and/or deducted from any payments due Tenant.

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

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

The City urges companies not to import, purchase, obtain, or use for any purpose, any tropical hardwood, tropical hardwood wood product, virgin redwood, or virgin redwood product. Except as expressly permitted by the application of San Francisco Environment Code sections 802(b) and 803(b), Tenant will not provide any items to the construction of tenant improvements or Alterations in the Premises, or otherwise in the performance of this Lease, that are tropical hardwoods, tropical hardwood wood products, virgin redwood, or virgin redwood wood products. If Tenant fails to comply with any of the provisions of San Francisco Environment Code Chapter 8, Tenant will be liable for liquidated damages for each violation in an amount equal to Tenant's net profit on the contract, or five percent (5%) of the total amount of the contract dollars, whichever is greater.

Tenant may not purchase preservative-treated wood products containing arsenic in the performance of this Lease unless an exemption from the requirements of Environment Code

Chapter 13 is obtained from the Department of Environment. This provision does not preclude Tenant from purchasing preservative-treated wood containing arsenic for saltwater immersion. The term "saltwater immersion" means a pressure-treated wood that is used for construction purposes or facilities that are partially or totally immersed in saltwater.

22.8. ***Prevailing Wages and Working Conditions***.

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

(b) Tenant will include, and will require its subtenants, and Contractors and Subcontractors (regardless of tier), to include the Prevailing Wage Requirements and the agreement to cooperate in City enforcement actions in any Construction Contract with specific reference to San Francisco Administrative Code Section 23.61. Each Construction Contract must name the City and County of San Francisco, affected workers, and employee organizations formally representing affected workers as third party beneficiaries for the limited purpose of enforcing the Prevailing Wage Requirements, including the right to file charges and seek penalties against any Contractor or Subcontractor in accordance with San Francisco Administrative Code Section 23.61. Tenant's failure to comply with its obligations under this Section will constitute a material breach of this Lease. A Contractor's or Subcontractor's failure to comply with this Section will enable the City to seek the remedies specified in San Francisco Administrative Code Section 23.61 against the breaching party. For the current Prevailing Rate of Wages, see www.sfgov.org/olse or call the City's Office of Labor Standards Enforcement at 415-554-6235.

(c) Tenant will also pay, and will require its subtenants, and contractors and subcontractors (regardless of tier) to pay, the Prevailing Rate of Wage for the following activities on the Premises as set forth in and to the extent required by San Francisco Labor and Employment Code Division II, Article 102 (formerly Administrative Code Chapter 21C): a Public Off-Street Parking Lot, Garage or Automobile Storage Facility (as defined in Section 102.3), a Show (as defined in Section 102.4), a Special Event (as defined in Section 102.8), Broadcast Services (as defined in Section 102.9), Commercial Vehicles, Loading and Unloading for Shows and Special Events (as defined in Section 102.10), and Security Guard Services for Events (as defined in Section 102.11).

22.9. ***Pesticide Prohibition***.

(a) Tenant may not use or apply or allow the use or application of any pesticides on the Premises or contract with any party to provide pest abatement or control services to the Premises without first receiving City's written approval of an integrated pest management ("IPM") plan that (i) lists, to the extent reasonably possible, the types and estimated quantities of pesticides that Tenant may need to apply to the Premises during the term of this Lease, (ii) describes the steps Tenant will take to meet the City's IPM Policy described in San Francisco Environment Code Chapter 3, section 300 (the Integrated Pest Management Program

Ordinance or "IPM Ordinance"), and (iii) identifies, by name, title, address, and telephone number, an individual to act as the Tenant's primary IPM contact person with the City. Tenant will comply, and will require all of Tenant's contractors to comply, with the IPM plan approved by the City and will comply with the requirements of Sections 300(d), 302, 304, 305(f), 305(g), and 306 of the IPM Ordinance, as if Tenant were a City department. Among other matters, the provisions of the IPM Ordinance: (A) provide for the use of pesticides only as a last resort, (B) prohibit the use or application of pesticides on property owned by the City or Landlord, except for pesticides granted an exemption under Section 303 of the IPM Ordinance (including pesticides included on the most current Reduced Risk Pesticide List compiled by City's Department of the Environment), (C) impose certain notice requirements, and (D) require Tenant to keep certain records and to report to City all pesticide use at the Premises by Tenant's staff or contractors.

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

22.10. ***First Source Hiring Agreement***. The City has adopted a First Source Hiring Program (San Francisco Administrative Code Sections 83.1 et seq.) which establishes specific requirements, procedures and monitoring for first source hiring of qualified economically disadvantaged individuals for entry-level positions as those terms are defined by the ordinance. Tenant acknowledges receiving and reviewing the First Source Hiring Program materials and requirements and agrees to comply with all requirements of the ordinance as implemented by Landlord and/or City, including without limitation, notification of vacancies throughout the Term and entering into a First Source Hiring Agreement, if applicable. Tenant acknowledges and agrees that it may be subject to monetary penalties for failure to comply with the ordinance or a First Source Hiring Agreement and that such non-compliance shall be a default of this Lease.

22.11. ***Sunshine Ordinance***. In accordance with San Francisco Administrative Code section 67.24(e), contracts, contractors' bids, leases, agreements, responses to Requests for Proposals, and all other records of communications between City departments and persons or firms seeking contracts will be open to inspection immediately after a contract has been awarded. Nothing in this provision requires the disclosure of a private person's or organization's net worth or other proprietary financial data submitted for qualification for a contract, lease, agreement, or other benefit until and unless that person or organization is awarded the contract, lease, agreement, or benefit. Information provided that is covered by this Section will be made available to the public upon request.

22.12. ***Conflicts of Interest***. By executing this Lease, Tenant certifies that it does not know of any fact which constitutes a violation of Section 15.103 of the City's Charter; Article III, Chapter 2 of City's Campaign and Governmental Conduct Code; Title 9, Chapter 7 of the California Government Code (Section 87100 et seq.), or Title 1, Division 4, Chapter 1, Article 4 of the California Government Code (Section 1090 et seq.), and further agrees promptly to notify the City if it becomes aware of any such fact during the term of this Lease.

22.13. ***Charter Provision***. This Lease is governed by and subject to the Charter of the City and County of San Francisco.

22.14. ***Drug-Free Workplace***. Tenant acknowledges that under the Federal Drug-Free Workplace Act of 1989, the unlawful manufacture, distribution, possession, or use of a controlled substance under federal Laws is prohibited on City premises. Tenant agrees that any

violation of this prohibition by Tenant, its Agents, or assigns will be a material breach of this Lease.

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

22.16. ***Requiring Health Benefits for Covered Employees***.

(a) Unless exempt, Tenant will comply fully with and be bound by all of the provisions of the Health Care Accountability Ordinance (HCAO), as set forth in Labor and Employment Code Division II, Article 121 (formerly Administrative Code Chapter 12Q).

(b) For each Covered Employee Tenant shall provide the appropriate health benefit set forth in Section 121.3 of the HCAO.

(c) Notwithstanding the above, if Tenant meets the requirements of a "small business" by the City pursuant to Section 121.3(e) of the HCAO, it shall have no obligation to comply with ***Section XX*** above.

(d) If, within 30 days after receiving written notice of a breach of this Lease for violating the HCAO, Tenant fails to cure such breach or, if such breach cannot reasonably be cured within such 30-day period, Tenant fails to commence efforts to cure within such period, or thereafter fails to diligently pursue such cure to completion, the City shall have the remedies set forth in Section 121.5(f) of the HCAO. Each of these remedies shall be exercisable individually or in combination with any other rights or remedies available to the City.

(e) Any Sublease or Contract regarding services to be performed on the Premises entered into by Tenant shall require the Subtenant or Contractor and Subcontractors, as applicable, to comply with the requirements of the HCAO and shall contain contractual obligations substantially the same as those set forth in Article 121 of Division II of the Labor and Employment Code. Tenant shall notify the Office of Labor Standards Enforcement ("OLSE") when it enters into such a Sublease or Contract and shall certify to OLSE that it has notified the Subtenant or Contractor of the obligations under the HCAO and has imposed the requirements of the HCAO on the Subtenant or Contractor through written agreement with such Subtenant or Contractor. Tenant shall be responsible for ensuring compliance with the HCAO for each Subtenant, Contractor and Subcontractor performing services on the Premises. If any Subtenant, Contractor or Subcontractor fails to comply, the City may pursue the remedies set forth in Section 121.5 of the Labor and Employment Code against Tenant based on the Subtenant's, Contractor's, or Subcontractor's failure to comply, provided that OLSE has first provided Tenant with notice and an opportunity to cure the violation.

(f) Tenant shall not discharge, reprimand, penalize, reduce the compensation of, or otherwise discriminate against, any employee for notifying the City of any issue relating to the HCAO, for opposing any practice proscribed by the HCAO, for participating in any proceedings related to the HCAO, or for seeking to assert or enforce any rights under the HCAO by any lawful means.

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

(h) Tenant shall keep itself informed of the requirements of the HCAO, as they may change from time to time.

(i) Upon request, Tenant shall provide reports to the City in accordance with any reporting standards promulgated by the City under the HCAO, including reports on Subtenants, Contractors, and Subcontractors.

(j) Within ten (10) business days of any request, Tenant shall provide the City with access to pertinent records relating to any Tenant's compliance with the HCAO. In addition, the City and its agents may conduct random audits of Tenant at any time during the Term. Tenant agrees to cooperate with City in connection with any such audit.

(k) If a Contractor or Subcontractor is exempt from the HCAO because the amount payable to such Contractor or Subcontractor under all of its contracts with the City or relating to City-owned property is less than $25,000.00 (or $50,000.00 for nonprofits) in that fiscal year, but such Contractor or Subcontractor later enters into one or more agreements with the City or relating to City-owned property that cause the payments to such Contractor or Subcontractor to equal or exceed $75,000.00 in that fiscal year, then all of the Contractor's or Subcontractor's contracts with the City and relating to City-owned property shall be thereafter subject to the HCAO. This obligation arises on the effective date of the agreement that causes the cumulative amount of agreements to equal or exceed $75,000.00 in the fiscal year.

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

22.18. ***Resource Efficient City Buildings and Pilot Projects***. Tenant acknowledges that the City and County of San Francisco has enacted San Francisco Environment Code Sections 700 to 713 relating to green building requirements for the design, construction, and operation of buildings owned or leased by City. Tenant must comply with all applicable provisions of those code sections.

22.19. ***Food Service and Packaging Waste Reduction Ordinance***. Tenant is bound by and will comply with all of the provisions of the Food Service and Packaging Waste Reduction Ordinance, as set forth in San Francisco Environment Code Chapter 16, including all remedies provided in that Chapter, and the implementing guidelines and rules. The provisions of Chapter 16 are incorporated into this Lease by reference and made a part of this Lease as though fully set forth. This provision is a material term of this Lease. By entering into this Lease, Tenant agrees

that if it breaches this provision, Landlord will suffer actual damages that will be impractical or extremely difficult to determine. Without limiting Landlord's other rights and remedies, Tenant agrees that the sum of One Hundred Dollars ($100.00) for the first breach, Two Hundred Dollars ($200.00) for the second breach in the same year, and Five Hundred Dollars ($500.00) for subsequent breaches in the same year is a reasonable estimate of the damage that Landlord may incur based on the violation, established in light of the circumstances existing at the time this Lease was made. These amounts will not be considered a penalty, and do not limit Landlord's other rights and remedies available under this Lease, at law, or in equity.

22.20. ***Estoppel Certificates***.

(a) Tenant Estoppel Certificates. Within thirty (30) days after Landlord's request, Tenant will execute and deliver to Landlord a statement certifying the following matters: (a) the Commencement Date and Expiration Date of this Lease; (b) that this Lease is unmodified and in full force and effect (or if there have been modifications, that this Lease is in full force and effect as modified and the date and nature of the modifications); (c) the dates to which the Rent has been paid; (d) to Tenant's actual knowledge, that there are no Events of Default under this Lease (or if there are any Events of Default, the nature of the Event of Default); and (e) any other factual matters related to this Lease reasonably requested by Landlord. Landlord and Tenant intend that any statement delivered under this paragraph may be relied upon by any assignee of Landlord's interest in the Lease, any mortgagee, or any purchaser or prospective purchaser of the building or land on which the Premises are located.

(b) Landlord Estoppel Certificates. Upon Tenant's request, Landlord shall execute and deliver to Tenant or to any party designated by Tenant (including any Mortgagee) a certificate stating to Landlord's actual knowledge (a) that this Lease is modified or unmodified and in full force and effect, (b) the dates, if any, to which Rent and other sums payable hereunder have been paid, (c) whether or not, without investigation, there are then existing any Tenant Events of Defaults under this Lease (and if so, specifying the same) and (d) any other matter actually known to Landlord, directly related to this Lease and reasonably requested by the requesting party.

22.21. ***Incorporation of Exhibits and Addendum***. The terms of any Exhibits or Addendum attached to this Lease are incorporated into the Lease by reference. In the event of any inconsistency between the Lease and an Exhibit, the terms of the Lease will control. In the event of any inconsistency between the Lease and an Addendum, the terms of the Addendum will control.

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

22.23. ***Criminal History in Hiring and Employment Decisions***.

(a) Unless exempt, Tenant will comply with and be bound by all of the provisions of San Francisco Labor and Employment Code Division II, Article 142 (formerly Administrative Code Chapter 12T) (Criminal History in Hiring and Employment Decisions; "Article 142") which are incorporated into this Agreement as if fully set forth, with respect to applicants and employees of Tenant who would be or are performing work at the Premises.

(b) Tenant must incorporate by reference the provisions of Article 142 in all subleases of some or all of the Premises, and will require all subtenants to comply with such provisions. Tenant's failure to comply with the obligations in this subsection will constitute a material breach of this Lease.

(c) Tenant and subtenants may not inquire about, require disclosure of, or if the information is received base an Adverse Action on an applicant's or potential applicant for employment, or employee's: (1) arrest not leading to a Conviction, unless the arrest is undergoing an active pending criminal investigation or trial that has not yet been resolved; (2) participation in or completion of a diversion or a deferral of judgment program; (3) a Conviction that has been judicially dismissed, expunged, voided, invalidated, or otherwise rendered inoperative; (4) a Conviction or any other adjudication in the juvenile justice system; (5) a Conviction that is more than seven years old, from the date of sentencing; or (6) information pertaining to an offense other than a felony or misdemeanor, such as an infraction.

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

(e) Tenant and subtenants will state in all solicitations or advertisements for employees that are reasonably likely to reach persons who are reasonably likely to seek employment with Tenant or subtenant at the Premises, that the Tenant or subtenant will consider for employment qualified applicants with criminal histories in a manner consistent with the requirements of Article 142.

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

(g) Tenant understands and agrees that upon any failure to comply with the requirements of Article 142, the City will have the right to pursue any rights or remedies available under Article 142 or this Lease, including, but not limited to, a penalty of $50 for a second violation and $100 for a subsequent violation for each employee, applicant, or other person as to whom a violation occurred or continued, or termination of this Lease in whole or in part.

(h) If Tenant has any questions about the applicability of Article 142, it may contact the City's Real Estate Division for additional information. City's Real Estate Division may consult with the Director of the City's Office of Contract Administration who may also grant a waiver, as set forth in Section 142.8.

22.24. Intentionally deleted

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

22.26. ***Vending Machines: Nutritional Standards and Calorie Labeling Requirements***. Tenant may not install or permit any vending machine on the Premises without the prior written consent of the TIDA Director. Any permitted vending machine must comply with the food and beverage nutritional standards and calorie labeling requirements set forth in San Francisco Administrative Code section 4.9-1(c), as may be amended from time to time (the "Nutritional Standards Requirements"). Tenant will incorporate the Nutritional Standards Requirements into any contract for the installation of a vending machine on the Premises or for the supply of food

and beverages to that vending machine. Failure to comply with the Nutritional Standards Requirements or to otherwise comply with this Section will be material breach of this Lease. Without limiting Landlord's other rights and remedies under this Lease, Landlord will have the right to require the immediate removal of any vending machine on the Premises that is not permitted or that violates the Nutritional Standards Requirements.

22.27. ***All-Gender Toilet Facilities***. If applicable, Tenant will comply with San Francisco Administrative Code section 4.1-3 requiring at least one all-gender toilet facility on each floor of any new building on City-owned land and within existing buildings leased by the City where extensive renovations are made. An "all-gender toilet facility" means a toilet that is not restricted to use by persons of a specific sex or gender identity by means of signage, design, or the installation of fixtures, and "extensive renovations" means any renovation where the construction cost exceeds 50% of the cost of providing the toilet facilities required by this section. If Tenant has any question about applicability or compliance, Tenant should contact the TIDA Director for guidance.

22.28. ***Prohibition of Alcoholic Beverages Advertising***. Tenant acknowledges and agrees that no advertising of alcoholic beverages is allowed on the Premises. For purposes of this section, "alcoholic beverage" will be defined as set forth in California Business and Professions Code Section 23004, and will not include cleaning solutions, medical supplies and other products and substances not intended for drinking. This advertising prohibition includes the placement of the name of a company producing, selling or distributing alcoholic beverages or the name of any alcoholic beverage in any promotion of any event or product. This advertising prohibition does not apply to any advertisement sponsored by a state, local, nonprofit or other entity designed to (i) communicate the health hazards of alcoholic beverages, (ii) encourage people not to drink alcohol or to stop drinking alcohol, or (iii) provide or publicize drug or alcohol treatment or rehabilitation services.

22.29. ***Graffiti Removal***. Tenant agrees to remove all graffiti from the Premises within forty-eight (48) hours of the earlier of Tenant's: (a) discovery or notification of the graffiti or (b) receipt of notification of the graffiti from the Department of Public Works. This section is not intended to require a tenant to breach any lease or other agreement that it may have concerning its use of the real property. "Graffiti" means any inscription, word, figure, marking or design that is affixed, marked, etched, scratched, drawn or painted on any building, structure, fixture or other improvement, whether permanent or temporary, including signs, banners, billboards and fencing surrounding construction sites, whether public or private, without the consent of the owner of the property or the owner's authorized agent, and that is visible from the public right-of-way, but does not include: (1) any sign or banner that is authorized by, and in compliance with, the applicable requirements of this Lease or the Landlord Building Code; or (2) any mural or other painting or marking on the property that is protected as a work of fine art under the California Art Preservation Act (Calif. Civil Code §§ 987 et seq.) or as a work of visual art under the Federal Visual Artists Rights Act of 1990 (17 U.S.C. §§ 101 et seq.).

22.30. ***Tenant's Compliance with City Business and Tax Regulations Code***. Tenant acknowledges that under Section 6.10-2 of the San Francisco Business and Tax Regulations Code, the City Treasurer and Tax Collector may require the withholding of payments to any vendor that is delinquent in the payment of any amounts that the vendor is required to pay the City under the San Francisco Business and Tax Regulations Code. If, under that authority, any payment Landlord is required to make to Tenant under this Lease is withheld, then Landlord will not be in breach or default under this Lease, and the Treasurer and Tax Collector will authorize release of any payments withheld under this ***Section 22.30*** to Tenant, without interest, late fees, penalties, or other charges, upon Tenant coming back into compliance with its San Francisco Business and Tax Regulations Code obligations.

22.31. ***Consideration of Salary History***. Tenant will comply with San Francisco Labor and Employment Code Division II, Article 141 (formerly Administrative Code Chapter 12K), the

Consideration of Salary History Ordinance or "Pay Parity Act." For each employment application to Tenant for work that relates to this Lease or for work to be performed in the City or on City property, Tenant is prohibited from considering current or past salary of an applicant in determining whether to hire the applicant or what salary to offer the applicant. Tenant will not (1) ask such applicants about their current or past salary or (2) disclose a current or former employee's salary history without that employee's authorization unless the salary history is publicly available. Tenant is subject to the enforcement and penalty provisions in Article 141. Information about Article 141 is available on the web at https://sfgov.org/olse/consideration-salary-history.

23. MORTGAGES.

23.1. *Mortgages*.

(a) Right to Grant Mortgages. Tenant has the right during the Term, to grant a mortgage, deed of trust or other security instrument (each a "**Mortgage**") encumbering (i) all or a portion of the Leasehold Estate in all or a portion of the Premises, (ii) Tenant's interest in any permitted Subleases thereon, (iii) any Personal Property of Tenant, (iv) products and proceeds of the foregoing, and (v) any other rights and interests of Tenant arising under this Lease for the benefit of a Bona Fide Institutional Lender (together with its successors in interest, a "**Mortgagee**") as security for one or more loans, the proceeds of which are used solely for the design and construction of the Initial Improvements, take-out financing of any construction loan or of any Tenant equity used for the Initial Improvements, or additional Alterations to the Premises, subject to the terms and conditions contained in this ***Section 23***.

"**Bona Fide Institutional Lender**" means any one or more of the following, whether acting in its own interest and capacity or in an agency or a fiduciary capacity for one or more Persons none of which need be Bona Fide Institutional Lenders: a savings bank, a savings and loan association, a commercial bank or trust company or branch thereof, an insurance company, a licensed California finance lender, any agency or instrumentality of the United States government or any state or City governmental authority, a pension fund, an investment banking or merchant banking firm, or any entity directly or indirectly sponsored or managed by any of the foregoing, or other lender, all of which, at the time a Mortgage is recorded in favor of such entity, owns or manages assets of at least Five Hundred Million Dollars ($500,000,000) in the aggregate (or the equivalent in foreign currency).

(b) Restrictions on Financing. No Mortgage will be granted to secure obligations unrelated to the Premises or to provide compensation or rights to a Mortgagee in return for matters unrelated to the Premises.

(c) Leasehold Mortgages Subject to this Lease. With the exception of the rights expressly granted to Mortgagees in this ***Section 23***, the execution and delivery of a Mortgage will not give or be deemed to give a Mortgagee any greater rights than those granted to Tenant hereunder.

(d) Transfer by Mortgagees. A Mortgagee may transfer or assign all or any part of or interest in any Mortgage to a Bona Fide Institutional Lender without the consent of or notice to any Party; provided, however, that Landlord will have no obligations under this Agreement to a Mortgagee unless Landlord is notified of such Mortgagee. Furthermore, Landlord's receipt of notice of a Mortgagee following Landlord's delivery of a notice or demand to Tenant or to one or more Mortgagees under ***Section 23.4*** will not result in an extension of any of the time periods in this ***Section 23***, including the cure periods specified in ***Section 23.5***.

(e) No Subordination of Fee Interest or Rent. Under no circumstance whatsoever will a Mortgagee place or suffer to be placed any lien or encumbrance on Landlord's fee interest in the Land in connection with any financing permitted hereunder, or otherwise. Landlord will not subordinate its interest in the Premises, nor its right to receive Rent, to any Mortgagee.

(f) Violation of Covenant. Any Mortgage not permitted by this ***Section 23*** will be deemed to be a violation of this covenant on the date of its execution or filing of record regardless of whether or when it is foreclosed or otherwise enforced.

23.2. ***Copy of Notice of Default to Mortgagee***.

(a) Copy to Mortgagee. Whenever Landlord delivers any notice or demand to Tenant for any breach or default by Tenant in its obligations or covenants under this Lease, Landlord will at the same time forward a copy of such notice or demand to each Mortgagee that has previously made a written request to Landlord for a copy of any such notices in accordance with ***Section 23.2(b)***. A delay or failure by Landlord to provide such notice or demand to any Mortgagee that has previously made a written request therefor will extend, by the number of days until notice is given, the time allowed to such Mortgagee to cure.

(b) Notice from Mortgagee to Landlord. Each Mortgagee is entitled to receive notices in accordance with ***Section 23.2(a)*** provided such Mortgagee has delivered a notice to Landlord in substantially the following form:

> "The undersigned does hereby certify that it is a Mortgagee, as such term is defined in that certain lease entered into by and between Treasure Island Development Authority, as landlord, and [insert name of Tenant], as tenant (the "Lease"), of tenant's interest in the Lease demising the property, a legal description of which is attached hereto as ***Exhibit A*** and made a part hereof by this reference. The undersigned hereby requests that copies of any and all notices from time to time given under the Lease to tenant by Landlord be sent to the undersigned at the following address: _____."

If Mortgagee desires to have Landlord acknowledge receipt of Mortgagee's name and address delivered to Landlord pursuant to this ***Section 23.2(b)***, then such request must be made in bold, underlined and in capitalized letters.

23.3. ***Mortgagee's Option to Cure Defaults***.

(a) Before or after receiving any notice of failure to cure referred to in ***Section 23.2***, Mortgagee will have the right (but not the obligation), at its option, to commence to cure or cause to be cured any Event of Default, within the same period afforded to Tenant hereunder plus an additional period of (a) fifteen (15) days with respect to a monetary Event of Default and (b) forty-five (45) days with respect to a non-monetary Event of Default that is susceptible of cure by such Mortgagee without obtaining title to the applicable property subject to the applicable Mortgage or acquiring the ownership interests in Tenant, as applicable.

(b) If a non-monetary Event of Default cannot be cured by Mortgagee without obtaining title to the Leasehold Estate, or applicable portion thereof, Landlord will refrain from exercising its right to terminate this Lease and will permit the cure by a Mortgagee of such Event of Default if, within the cure period set forth in ***Section 23.3(a)***: (i) such Mortgagee notifies Landlord in writing that such Mortgagee intends to proceed with due diligence to foreclose the Mortgage or otherwise obtain title to the subject property or ownership interests, as applicable; (ii) such Mortgagee commences foreclosure proceedings whether by non-judicial foreclosure, judicial foreclosure, by appointment of a receiver, or deed (or assignment) in lieu of foreclosure, within sixty (60) days after giving such notice, and diligently pursues such proceedings to completion; and (iii) after obtaining title, such Mortgagee, subject to ***Section 23.4***, diligently proceeds to cure those Events of Default that are susceptible of cure by such Mortgagee. The period from the date Mortgagee so notifies Landlord until a Mortgagee acquires and succeeds to the interest of Tenant under this Lease or some other party acquires such interest through Foreclosure is herein called the "Foreclosure Period."

(c) Nothing in this ***Section 23*** will preclude Landlord from exercising any rights or remedies under this Lease against Tenant (other than a termination of this Lease) with respect to any other Events of Default during the Foreclosure Period.

(d) Notwithstanding the foregoing, no Mortgagee will be required to cure any non-monetary Event of Default that is specific or personal to Tenant which cannot be cured by Mortgagee (by way of example and not limitation, Tenant bankruptcy, or the failure to submit required information in the possession of Tenant). Mortgagee's acquisition of title to the Leasehold Estate, or the completion of a foreclosure (or assignment in lieu thereof), as applicable, will be deemed to be a cure of such Events of Default specific or personal to Tenant. The foregoing will not excuse a Mortgagee's failure to cure any continuing default that is curable by Mortgagee.

23.4. ***Mortgagee's Obligations*** .

(a) Rights and Obligations upon Mortgagee Acquisition. Except as set forth in this ***Section 23***, no Mortgagee will have any obligations or other liabilities under this Lease unless and until it acquires title by any method to the Leasehold Estate (referred to as "Foreclosed Property"). Except as otherwise provided herein (including, without limitation, ***Sections 23.4(b)—(d)***, a Mortgagee (or its designee, successor or assign) or other winning bidder at a foreclosure sale (collectively, a "Successor Owner") that acquires title to any Foreclosed Property (a "Mortgagee Acquisition") will take title subject to all of the terms and conditions of this Lease to the extent applicable to the Foreclosed Property, including any claims for payment or performance of obligations that are due as a condition to enjoying the benefits under this Lease from and after the Mortgagee Acquisition. Upon completion of a Mortgagee Acquisition, Landlord will recognize the Successor Owner as Tenant under this Agreement. Such recognition will be effective and self-operative without the execution of any further instruments; provided, upon request, at no cost to Landlord, Landlord will execute a written agreement recognizing Successor Owner. A Successor Owner, upon a Mortgagee Acquisition, will be required promptly to cure all monetary defaults and all other defaults then reasonably susceptible of being cured by such Mortgagee to the extent not cured prior to completion of the Mortgagee Acquisition. The foregoing obligation includes any obligation to restore, except as set forth in ***Section 23.4(c)***.

(b) Obligations by Mortgagee Prior to Mortgagee Acquisition. Prior to a Mortgagee Acquisition, Landlord will have no right to enforce any obligation under this Lease against any Mortgagee unless such Mortgagee expressly assumes and agrees to be bound by this Lease in a form reasonably approved in writing by Mortgagee and Landlord, which form will be consistent with the terms of this Lease (for the avoidance of doubt, the foregoing will not limit Landlord's rights and remedies against Tenant notwithstanding any interest Mortgagee may have in Tenant or any right against any successor owner of the Premises for a continuing default, as set forth in and subject to the limitations of this ***Section 23***). However, Mortgagee agrees to comply during a Foreclosure Period with the terms, conditions and covenants of this Lease that are reasonably susceptible of being complied with by Mortgagee, including the payment of all impositions and any other sums due and owing hereunder.

(c) No Obligation to Restore. Subject to ***Sections 23.4(d)*** and ***(e)***, Mortgagee, including any Mortgagee who obtains title to Foreclosed Property through a Mortgagee Acquisition will not be obligated by the provisions of this Lease to restore any damage or destruction to the Initial Improvements and any Alterations beyond the extent necessary to preserve or protect the Initial Improvements or Alterations already made, to remove any debris and to perform other reasonable measures to protect the public; provided, however, any other Person who thereafter obtains title to the Leasehold Estate, or any interest therein from or through such Mortgagee (or its designee), or any other Successor Owner (other than such Mortgagee) will be obligated to restore any damage or destruction to the Initial Improvements or Alterations in accordance with this Lease, except that any time period for such Restoration shall

be reset as if the applicable casualty or condemnation occurred as of the date of the Mortgagee Acquisition.

(d) Obligation to Sell If Not Restore. In the event that Mortgagee acquires the Foreclosed Property through a Mortgagee Acquisition and chooses not to complete or restore the Initial Improvements or any Alterations, it will notify Landlord in writing of its election within one hundred twenty (120) days following the Mortgagee Acquisition and will sell its interest with reasonable diligence to a purchaser that will be obligated to restore the Initial Improvements or Alterations, but in any event Mortgagee will use good faith efforts to cause such sale to occur within nine (9) months following Mortgagee's written notice to Landlord of its election not to restore (the "Sale Period").

(e) Mortgagee Agreement to Complete or Restore. If Mortgagee fails to sell its interest in the Leasehold Estate within the Sale Period, such failure will not constitute a default hereunder but Mortgagee will be obligated to restore the Initial Improvements or Alterations to the extent this Lease obligates Tenant to so restore. In the event Mortgagee agrees, or is deemed to have agreed, to restore the Initial Improvements or Alterations, all such work will be performed in accordance with all the requirements set forth in this Lease, and Mortgagee must submit evidence reasonably satisfactory to Landlord that it has the qualifications and financial responsibility necessary to perform such obligations.

23.5. ***Provisions of Any Mortgage***. Each Mortgage must provide that Mortgagee will during the Term, (i) promptly provide Landlord by registered or certified mail a copy of any notice delivered by Mortgagee to Tenant of a borrower default under the Mortgage, and (ii) give Landlord prior notice before Mortgagee initiates any Mortgage foreclosure action with respect to the Premises. The exercise by a Mortgagee of any of its remedies under its Mortgage will not, in and of itself, constitute a default under this Lease.

23.6. ***No Impairment of Mortgage***. No default by Tenant under this Lease will invalidate or defeat the lien of any Mortgagee. Neither a breach of any obligation in a Mortgage, nor a foreclosure under any Mortgage will defeat, diminish, render invalid or unenforceable or otherwise impair Tenant's rights or obligations under this Lease or constitute, by itself, a default under this Lease.

23.7. ***Multiple Mortgages***.

(a) If at any time there is more than one Mortgage constituting a lien on a single portion of the Premises or any interest therein, the lien of Mortgagee prior in time to all others (the "**Senior Mortgagee**") will be vested with the rights under ***Sections 23.3***, ***23.10***, ***23.13***, and ***23.14*** to the exclusion of the holder of any other Mortgage except if the Senior Mortgagee fails to exercise the rights set forth in ***Sections 23.3*** and ***23.10***, as applicable, then the holder of a junior Mortgage that has provided notice to Landlord in accordance with ***Section 23.2*** will succeed to the rights set forth in ***Sections 23.3*** and ***23.10***, as applicable, only if the holders of all Mortgages senior to it have failed to exercise the rights set forth in ***Sections 23.3*** and ***23.10***, as applicable.

(b) A Senior Mortgagee's failure to exercise its rights under ***Sections 23.3***, ***23.10***, ***23.13***, or ***23.14***, as applicable, or any delay in the response of any Mortgagee to any notice by Landlord will not extend (i) any cure period, (ii) period to enter into a New Lease, or (iii) Tenant's or any Mortgagee's rights under this ***Section 23***. For purposes of this ***Section 23.7***, in the absence of an order of a court of competent jurisdiction that is served on Landlord, a title report prepared by a reputable title company licensed to do business in the State of California and having an office in the City, setting forth the order of priorities of the liens of Mortgages on real property, may be relied upon by Landlord as conclusive evidence of priority.

23.8. ***Cured Defaults***. Landlord will accept performance by a Mortgagee with the same force and effect as if performed by Tenant. No such performance on behalf of Tenant in and of

itself will cause Mortgagee to become a "mortgagee in possession" or otherwise cause it to be bound by or liable under this Lease.

23.9. ***Limitation on Liability of Mortgagee***.

No Mortgagee will become liable under the provisions of this Lease unless and until such time as it becomes the owner of the Leasehold Estate and then only for so long as it remains the owner of the Leasehold Estate and only with respect to the obligations arising during such period of ownership.

If a Mortgagee becomes the owner of the Leasehold Estate under this Lease or under a New Lease, (i) except as set forth in ***Sections 23.4(c)*** and ***23.4(d)***, such Mortgagee will be liable to Landlord for the obligations of Tenant hereunder only to the extent such obligations arise during the period that such Mortgagee remains the owner of the Leasehold Estate, and (ii) in no event will Mortgagee have personal liability under this Lease or New Lease, as applicable, greater than Mortgagee's interest in this Lease or such New Lease, and Landlord will have no recourse against Mortgagee's assets other than its interest herein or therein.

23.10. ***New Lease***. In the event of the termination of this Lease before the expiration of the Term, including, without limitation, the rejection of this Lease by a trustee of Tenant in bankruptcy or by Tenant as a debtor-in-possession, except (i) by Total Condemnation, or (ii) as the result of damage or destruction as provided in ***Section 12***, Landlord will serve upon Mortgagee written notice that this Lease has been terminated, together with a statement of any and all sums which would at that time be due under this Lease but for such termination, and of all other defaults, if any, under this Lease then known to Landlord. The Senior Mortgagee will thereupon have the option to obtain a new lease in accordance with and upon the following terms and conditions ("New Lease"):

(i) Upon the written request of Mortgagee, within thirty (30) days after service of such notice that this Lease has been terminated ("New Lease Execution Period"), Landlord will enter into a New Lease of the Premises with the most senior Mortgagee giving notice within such period or its designee, provided that Mortgagee assumes Tenant's obligations as Sublandlord under any Subleases then in effect; and

(ii) Such New Lease will be entered into at the Mortgagee's cost, will be effective as of the date of termination of this Lease, and will be for the remainder of the Term and at the Rent and upon all the agreements, terms, covenants and conditions hereof, including any applicable rights of renewal and in substantially the same form as this Lease (except for any requirements or conditions which Tenant has satisfied prior to the termination). The New Lease will have the same priority as this Lease, including priority over any mortgage or other lien, charge or encumbrance on the title to the Premises. The New Lease will require Mortgagee to perform any unfulfilled monetary obligation of Tenant under this Lease that would, at the time of the execution of the New Lease, be due under this Lease if this Lease had not been terminated and to perform as soon as reasonably practicable any unfulfilled non-monetary obligation which is continuing and is reasonably susceptible of being performed by such Mortgagee, including any obligation to restore. If Mortgagee elects not to restore, then it will follow the procedures set forth in ***Sections 23.4(d)*** and ***(e)***. Upon the execution of the New Lease, Mortgagee will pay any and all sums which would at the time of the execution thereof be due under this Lease but for such termination, and will pay all expenses, including reasonable Attorneys' Fees and Costs incurred by Landlord in connection with such defaults and termination, the recovery of possession of the Premises, and the preparation, execution and delivery of such New Lease. The provisions of this ***Section 23.10(ii)*** will survive any termination of this Lease (except as otherwise expressly set out in the first sentence of ***23.10***), and will constitute a separate agreement by Landlord for the benefit of and enforceable by Mortgagee.

23.11. ***Nominee***. Any rights of a Mortgagee under this ***Section 23***, as amended hereby, may be exercised by or through its nominee or designee (other than Tenant) which is an Affiliate

of Mortgagee; provided, however, no Mortgagee will acquire title to the Lease through a nominee or designee which is not a Person otherwise permitted to become Tenant hereunder; provided, further that a Mortgagee may acquire title to the Lease through a wholly owned (directly or indirectly) subsidiary of Mortgagee.

23.12. ***Subleases and Other Property Agreements***. Effective upon the commencement of the term of any New Lease executed pursuant to ***Subsection 23.10***, any Sublease then in effect will be assigned and transferred without recourse by Landlord to Mortgagee. Between the date of termination of this Lease and expiration of the New Lease Execution Period, Landlord will not enter into any new management agreements or agreements for the maintenance of the Premises or the supplies therefor (collectively, "Other Property Agreements"). Effective upon the commencement of the term of the New Lease, Landlord will also quitclaim to Mortgagee, its designee or nominee (other than Tenant), without recourse, all of Tenant's Personal Property remaining on the Premises that has been abandoned by Tenant.

23.13. ***Consent of Mortgagee***. Landlord will not (i) modify this Lease in a manner that increases Base Rent or any other Rent owed to Landlord, decreases the Term or otherwise amends the terms of this Lease in a manner that creates a material adverse effect upon Senior Mortgagee, or (ii) terminate or cancel this Lease without Senior Mortgagee's prior written consent, which consent will not be unreasonably withheld, conditioned or delayed. Any such modification, termination or cancellation of this Lease without Senior Mortgagee's consent will be effective against Senior Mortgagee. The foregoing will not limit Landlord's ability to terminate this Lease if there is an uncured Tenant Event of Default, Mortgagee has been provided the opportunity to cure such Tenant Event of Default in accordance with this Lease and Mortgagee has elected not to cure and has not provided the foreclosure notice or commenced foreclosure proceedings as further described in ***Section 23.4***.

23.14. ***No Merger***. No merger of this Lease and the fee estate in the Premises will occur on account of the acquisition by the same or related parties of the leasehold estate created by this Lease and the fee estate in the Premises without the prior written consent of Mortgagee.

23.15. ***Cooperation***. Landlord, through its Executive Director, and Tenant will cooperate in including in this Lease by suitable written amendment or agreement from time to time any provision which may be reasonably requested by the Senior Mortgagee and customarily included in such amendment or agreement to implement the provisions and intent of this ***Section 23***, provided, however, that any such amendment or agreement will not adversely affect in any material respect any of Landlord's rights and remedies under this Lease. Landlord's execution of any such amendment or agreement is conditioned on Landlord's receipt of its Attorneys' Fees and Costs incurred in connection with the review and negotiation of such document.

24. DEFINITIONS.

[To be added in next draft]

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

TENANT:

BAFC TEAM OPERATOR, LLC,
a Delaware **limited liability company**

By: _____

Its: _____

LANDLORD:

TREASURE ISLAND DEVELOPMENT AUTHORITY

By: _____
Robert P. Beck
Treasure Island Director

APPROVED AS TO FORM:

DAVID CHIU, City Attorney

By: _____
Deputy City Attorney

Lease Prepared By: Richard A. Rovetti, Deputy Director of Real Estate _____
(initial)

EXHIBIT A

DIAGRAM OF PREMISES

EXHIBIT A-1

Navy Deed

EXHIBIT B

COVER PAGE OF THE SEISMIC REPORT

EXHIBIT C

RULES AND REGULATIONS

Except as otherwise expressly provided in the Lease:

1. Tenant and its agents and contractors shall comply with the use provisions and restrictions in the Lease, and shall not permit any authorized use of the Premises.

2. [***Note***: The Parties will refine the requirements for large events that would generally require approvals or input from any of the Entertainment Commission, the San Francisco Municipal Transportation Agency, or ISCOTT if the event was held on land owned and managed by TIDA, to mitigate potential impacts to the surrounding neighborhoods and residents of Treasure Island and Yerba Buena Island, such as potential need for Tenant to engage the services of a traffic management company and traffic control officers]

3. Tenant's contractors, agents and invitees, while on the Premises, shall be subject to these Rules and Regulations. Tenant's contractors shall be licensed by the State Contractors Licensing Board for the trades they practice at the Premises.

4. Tenant shall install and maintain at Tenant's expense, any life safety equipment required by governmental rules, regulations or laws to be kept on the Premises. Tenant shall comply with the directives of the Fire Marshall and U.S. Coast Guard.

5. Tenant shall not block access to any public areas in or about the Premises.

6. Tenant shall not use or keep in the Premises any kerosene, gasoline or flammable, combustible or noxious fluid or materials except as required and approved in connection with the normal operation and maintenance of the facility. Tenant shall not use, keep or permit or suffer the Premises to be occupied or used in a manner offensive to Landlord or other occupants of Treasure Island by reason of noise, odors, and/or vibrations; provided, however, that the Parties agree that noise typically associated with sports facilities shall not constitute a nuisance.

7. Tenant shall operate the Premises in accordance with the Approved Operating Standards, as they may be amended and updated from time to time.

8. Tenant shall not sponsor or permit any fireworks displays originating from the Premise without the prior written consent of Landlord.

9. Tenant shall not install any antenna, lighting or loudspeaker on the Premises except in compliance with applicable Laws.

10. Tenant shall store all its trash and garbage within the Premises in a clean and secure location at all times until removal of the same. Tenant shall maintain an appropriate number of trash receptacles as needed to prevent garbage from accumulating on the Premises and adjacent properties.

11. Tenant assumes all responsibility for protecting its Premises from theft, robbery and pilferage.

12. These Rules and Regulations are in addition to, and shall not be construed in any way to modify, alter or amend, in whole or part, the terms, covenants, agreements and conditions of the Lease. Landlord shall not deliberately enforce the Rules and Regulations in a discriminatory manner.

13. Landlord reserves the right to make such other and reasonable rules and regulations as in its judgment may from time to time be needed for the safety, care and cleanliness of the Premises, and for the preservation of good order on Treasure Island, provided such other rules and regulations or any amendments or modifications to any existing rules and regulations shall be reasonable and non-discriminatory and shall not materially increase the burdens or obligations upon Tenant or be used to prohibit the conduct of any business in the Premises which Tenant is permitted to conduct pursuant to the Lease.

14. Tenant shall be responsible for the observance of these Rules and Regulations by Tenant's employees, agents, clients, customers, invitees, and guests.

EXHIBIT E

ONE TREASURE ISLAND WORKFORCE HIRING PLAN

OTI Job Broker Program Requirements for Island Tenants

As part of the workforce hiring goals for Treasure Island, the Treasure Island Development Authority's (TIDA) requires that Island commercial tenants are to make good faith efforts to fill appropriate available on-Island positions through the One Treasure Island Homeless Development Initiative (OTI) OTI Job Broker Program (OJBP). All new non-supervisorial positions created by on-Island commercial tenants and businesses should be opened to consideration of OJBP candidates, and San Francisco residents should account for a majority of all new hires by on-Island commercial tenants and businesses.

In order to help commercial tenants reach these goals, the OJBP provides free and immediate access to San Francisco's extensive non-profit employment & training programs and to a resource pool of individuals with varied skill levels and work experience backgrounds.

Through the OJBP, a job description and set of qualification requirements for the new or open position is distributed to the OJBP's network of employment service agencies on behalf of the commercial tenant. Appropriate candidates from these agencies are then referred to the commercial tenant for interviewing. All of the OJBP referrals are required to meet universal standards of job readiness.

To effectively implement the Good Faith provisions of the OJBP, commercial tenants are asked to provide OTI with a written plan, list available jobs with OTI prior to before public advertisement, consider OJBP referrals, and establish an ongoing relationship with the OJBP.

Additionally, if a commercial tenant does not anticipate making any new hires, it can meet its requirements under the OJBP by contracting with one of the two on-Island social enterprise operations: Toolworks Janitorial Services and/or Rubicon Programs Landscaping. Contact the OTI Job Broker for these services and for further information on the OTI Job Broker System to discuss and develop your workforce hiring plan.

For further information on the OTI Job Broker Program, please contact:

Alex Francois
One Treasure Island Employment Project Manager
(415) 274-0311 ex. 302
afrancois@onetreasureisland.org

EXHIBIT F

FIRST SOURCE HIRING AGREEMENT

NOTE: IF THE LEASE GIVES THE TENANT EXCLUSIVE USE OF THE PREMISES FOR MORE THAN 29 DAYS, CONTACT FIRST SOURCE HIRING ADMINISTRATION (LOWELL RICE AT 701-4857 OR LILLIE ELLISON AT OEWD AT 701-4883) TO SEE IF TENANT MUST SIGN A FIRST SOURCE AGREEMENT.

EXHIBIT [__]

LANDLORD'S DELIVERY CONDITION LETTER

This DELIVERY CONDITION LETTER sets forth Landlord's obligation to deliver the Premises in the Delivery Condition and shall be deemed part of the Lease.

1. General Terms

1.1. ***Definitions***. Initially capitalized terms used in this Delivery Condition Letter have the meanings given them when first defined or are set forth below. Any initially capitalized words or acronyms used but not defined in this Delivery Condition Letter shall have the same meanings as in the Lease.

"Building 258 Area" means the area of the Premises where Building 258 is located and the surrounding area within the Premises reasonably necessary for Tenant to perform the Building 258 Demo Work. The Building 258 Area does not include any portion of the soil stockpile currently located on the Premises.

"Building 258 Delivery Condition" means the Building 258 Area is vacant and devoid of all occupants and equipment.

"**Building 258 Delivery Deadline**" means February 28, 2025, as may be extended by Force Majeure or Tenant Delay.

"**Building 258 Demo Work**" is defined in the Tenant Work Letter.

"Complete, Completed, Completion" and variations thereof means (i) completion of the Grading Work in compliance with all required Regulatory Approvals, if any, and the Grading Work Specifications to Tenant's reasonable satisfaction as set forth in Section 2.4; and (ii) removal of all of Master Developer's equipment and personal property from the Premises following completion of the Grading Work.

"Completion Deadline" means sixty (60) days after Completion (as defined in the Tenant's Work Letter) of the Building 258 Demo Work, as may be extended by Force Majeure or Tenant Delay.

"Grading Work" means removing the existing soil stockpile from the Premises so that the Premises is graded to satisfy the Grading Work Specifications.

"Grading Work Specifications" means the specifications for the grading work set forth in Attachment [__] to this Delivery Condition Letter. [*Note: Generally, Premises to be roughly graded to approximately 3 feet all the way to the perimeter of the Premises except for an approximately 6' wide ramp area along the perimeter and except for the Building 258 Area, which will be graded to a higher height to account for current lack of surcharging in that area, all to be more specifically set forth in the Grading Work Specifications.*]

"Required Delivery Condition" means the Grading Work has been Completed in in accordance with the Grading Work Specifications.

"**Regulatory Agency**" means the municipal, county, regional, state, or federal government and their bureaus, agencies, departments, divisions, courts, commissions, boards, officers, or other officials, including the City, including other departments, offices, and commissions of the City and County of San Francisco (each in its regulatory capacity), the Navy, or any other governmental agency each to the extent now or later having jurisdiction over Landlord property.

"**Regulatory Approval**" means any authorization, approval, license, registration, or permit required or issued by any Regulatory Agency.

"**Tenant Delay**" means any action or omission by Tenant or any of its agents or contractors (collectively, "**Tenant Parties**") that causes or results in any (i) delay in Landlord's delivery to Tenant of (x) Building 258 in the Building 258 Delivery Condition by the Building 258 Delivery Deadline or (y) the Premises with the Grading Work Completed by the Completion Deadline. The term Tenant Delay includes, but is not limited to any: (1) delay in the giving of authorizations or approvals by any of the Tenant Parties; (2) delay attributable to the acts or omissions of the Tenant Parties, their agents or contractors, where such acts or omissions delay the completion of the Grading Work, and (3) failure to meet the Tenant deadlines set forth in the Schedule of Performance attached to the Tenant Work Letter.

1.2. ***Relationship between Delivery Condition Letter and the Lease.*** This Delivery Condition Letter governs Landlord's obligations to deliver the Premises in the Delivery Condition. Before the termination of this Delivery Condition Letter, this Delivery Condition Letter shall control in the event of any inconsistency between this Delivery Condition Letter and the Lease. Upon expiry of this Delivery Condition Letter, the Lease alone will govern the rights and obligations of the parties with respect to use and occupancy of the Premises.

1.3. ***Term.*** This Delivery Condition Letter shall commence and become effective as of the Lease's Effective Date and shall expire on the earlier of the date Landlord satisfies the Delivery Condition or Tenant exercises any termination option Tenant may exercise prior to Landlord satisfying the Delivery Condition under the Lease or the Tenant's Work Letter.

1.4. ***Lease Provisions.*** The provisions of the Lease, except where clearly inconsistent with or inapplicable to this Delivery Condition Letter, are incorporated into this Delivery Condition Letter.

1.5. ***Extensions due to Force Majeure and Tenant Delay***. Each of Landlord's deadlines set forth in this Delivery Condition Letter shall be extended by one (1) day for each day of delay due to Force Majeure or Tenant Delay. Notwithstanding the foregoing, in no event may Landlord claim more than forty-five (45) days, in the aggregate, of Force Majeure delay. If Force Majeure delays exceeds forty-five (45) days, Tenant's sole remedy against Landlord will be to exercise its termination right under the Lease or waive such time limitation.

2. Delivery Condition

2.1. ***Landlord's Obligations***.

(a) Building 258. Landlord will use commercially reasonable efforts to deliver Building 258 in the Building 258 Delivery Condition by the Building 258 Delivery Deadline.

(b) Grading Work Generally. Tenant agrees and understands that the Master Developer can commence the Grading Work only after Tenant Completes the Building 258 Demo Work [, including completing the dripline assessment and obtaining any necessary sign-

offs from any applicable Regulatory Agencies.] Landlord hereby agrees for itself, successors, and assignees, to use commercially reasonable efforts to cause the Master Developer to commence the Grading Work after the Completion of the Building 258 Demo Work and Complete the Grading Work: (i) by the Completion Deadline; (ii) free of claims, demands, actions and liens for labor, materials or equipment furnished for the Grading Work; (iii) in accordance with applicable requirements of (A) all Laws; (B) this Delivery Condition Letter; (C) required Regulatory Approvals; and (D) applicable requirements of the Development Documents for the TI/YBI Project for the Grading Work; provided, however, that nothing herein shall prohibit Landlord or Master Developer, as applicable, from disputing any claims, demands, actions, or liens, or enforcing as applicable, Landlord's or the Master Developer's rights against a party, in each case where as applicable, Landlord or the Master Developer has a reasonable basis to do so or it would be prudent to do so.

(c) [Omitted].

(d) Costs. Landlord shall bear the cost of delivering Building 258 in the Building 258 Delivery Condition and Master Developer shall bear the cost of the Grading Work, other than any Delayed Grading which will be born solely by Tenant.

2.2. ***City and Other Governmental Permits***. Master Developer has the sole responsibility, at its sole cost and expense, for obtaining all necessary permits for the Grading Work. Landlord will work with the Master Developer so that Master Developer applies for such permits directly to the applicable Regulatory Agency, if required. Tenant will not be required to act as a co-permittee for any permit the Master Developer needs.

2.3. ***Progress Meetings***. Landlord staff and Tenant (or its representatives or consultants) agree to hold regular progress meetings, as appropriate, to coordinate the date of delivery of Building 258 to Tenant in accordance with this Delivery Condition Letter, Completion (as defined in the Tenant's Work Letter) of the Building 258 Demo Work, and the start, prosecution and completion of the Grading Work. Landlord staff and Tenant (or its representatives or consultants) agree to communicate and consult informally as frequently as is reasonably necessary to assure coordination and the timely and efficient.

2.4. ***Tenant Rights of Inspection and Approval of Completion***. Landlord will provide Tenant notice of when Master Developer has informed Landlord that the Grading Work is Complete. Following delivery of such notice, Landlord shall grant Tenant and its Agents right of access to the Premises to confirm that the Grading Work has been Completed in accordance with the Grading Work Specifications. If Tenant reasonably believes that the Building 258 Delivery Condition has not been satisfied or the Grading Work has not been completed in accordance with the Grading Work Specifications, then Tenant shall provide Landlord with a written summary of the incomplete or defective items ("**Grading Issues Notice**"). Landlord will provide Master Developer with a copy of the Grading Issues Notice. If Master Developer agrees with the Grading Issues Notice, then Landlord will cause the Master Developer to timely resolve such issues. If Master Developer disagrees with the items in the Grading Issues Notice, Tenant, Landlord and the Master Developer will meet and confer as many times as is reasonably necessary to resolve the issues. The Grading Work shall not be satisfied or Completed, respectively, until Landlord has completed or remedied the items to Tenant's reasonable satisfaction or if Tenant is not satisfied within sixty (60) days following delivery of the Grading Issues Notice, then it will be deemed that Landlord is unable to deliver the Premises to Tenant in the Required Delivery Condition, and Tenant shall have the right to terminate the Lease by giving Landlord notice within sixty (60) days after the expiration of the 60-day period. If, prior to giving such termination notice, Tenant becomes satisfied that the Grading Work is Completed, then it will be deemed as if Tenant never exercised the termination option. If the Lease is terminated, then Landlord shall return to Tenant the Security Deposit and any advance payment

of Rent prior to the date the Lease terminates and from and after the termination of the Lease, neither party shall have any further obligations under the Lease except for those which expressly survive the expiration or sooner termination of the Lease. If Tenant terminates the Lease under this section after Tenant starts the Building 258 Demo Work, Tenant expressly agrees and acknowledges that because all or a portion of Building 258 will have been demolished much earlier than Landlord anticipated, Landlord is foregoing revenues from Building 258 much earlier than anticipated and any unapplied and outstanding rent credits that may be available to Tenant for the Building 258 Demo Work will be terminated as of the date of Lease termination. Tenant will have no claim against Landlord for reimbursement for any cost related to the Building 258 Demo Work.

3. Failure to Meet Delivery Dates

(a) Building 258 Delivery Condition. If Landlord fails to deliver the Building 258 Area to Tenant in the Building 258 Delivery Condition by the Building 258 Delivery Deadline, then (a) such failure shall constitute a Landlord Delay under the Tenant's Work Letter; and (b) if such failure continues for more than sixty (60) days (subject to extension for Force Majeure delay or Tenant Delay) after Tenant has informed Landlord that Tenant has received the Demolition Permit, then Tenant shall have the right to terminate the Lease in the manner set forth in Section 3.4(b) of the Lease.

(b) Grading Work. If Landlord fails to Complete the Grading Work by the Completion Deadline, then (a) such failure shall constitute a Landlord Delay under the Tenant's Work Letter; and (b) if such failure continues beyond the deadlines set forth in Section 2.4 above, then Tenant shall have the right to terminate the Lease as set forth in Section 2.4.

4. Completion

Landlord will notify Tenant when the Building 258 Delivery Condition is satisfied and when the Grading Work has been Completed. Tenant will take possession of the Premises on the date the Grading Work is Complete in its as-is condition and the provisions of Section 2.2 of the Lease are incorporated into this Delivery Condition Letter and will apply to the Premise as of the date the Grading Work is Completed.

EXHIBIT [__]

TENANT'S WORK LETTER

This Work Letter sets forth Tenant's obligation to perform the Building 258 Demo Work and construct the Initial Improvements and shall be deemed part of the Lease. The Initial Improvements do not include any of Tenant's Personal Property nor does it include the Building 258 Demo Work.

1. General Terms

1.1. ***Definitions***. Initially capitalized terms used in this Work Letter have the meanings given them when first defined or are set forth below. Any initially capitalized words or acronyms used but not defined in this Work Letter shall have the same meanings as in the Lease or the Landlord's Delivery Condition Letter, as applicable.

"**Building 258 Demo Work**" means the Handling of asbestos-containing materials and other Hazardous Materials (such as lead-based or presumed lead-based paint) in, on or immediately surrounding Building 258, performing asbestos related work (as further defined in California Health & Safety Code Section 25914.1(b)) and lead-based or presumed lead-based paint removal (including performing the required dripline assessment and removal of any contaminated soils in accordance with the dripline assessment), the demolition of Building 258, cutting and capping of existing utility lines that are connected to Building 258, and proper off-site disposal in accordance with all applicable Laws of all demolished materials, debris and Hazardous Materials associated with such Handling and demolition.

"Building Permit" means the applicable permit, issued by the City pursuant to the City Building Code, for permitting the demolition of Building 258 or for permitting construction of the Initial Improvements. [*"Building Permit" shall not include the initial site permit.*]

"Certificate of Occupancy" means a certificate of occupancy issued by the City, including any temporary certificate of occupancy.

"Commence Construction" means (i) with respect to the Building 258 Demo Work, that Tenant's demolition contractor has commenced the initial work in connection with the Building 258 Demo Work, and (ii) with respect to the Initial Improvements, that Tenant's general contractor has commenced the initial work in connection with such Initial Improvements.

"Complete, Completed, Completion" and variations thereof means completion by Tenant (i) with respect to the Building 258 Demo Work, in compliance with all Regulatory Approvals needed for such work, [including the occurrence of the final inspection and sign-off of such work by the applicable Regulatory Agency], and (ii) with respect to the Initial Improvements, in accordance with the final Construction Documents and Project Requirements, and in compliance with all Regulatory Approvals needed for the development and occupancy of the Initial Improvements, or provision of security reasonably satisfactory to Landlord for Deferred Items under Section 5.1(b) below, and issuance of a Certificate of Occupancy for the Initial Improvements.

"Demolition Permit" means the permit, issued by the City pursuant to the City Building Code, permitting demolition and removal of Building 258 and its associated materials.

"Finally Granted" means (i) any and all applicable appeal periods for the filing of any administrative or judicial appeal challenging the issuance or effectiveness of any approval of the Building 258 Demo Work, the Initial Improvements or the Permitted Use, and any related clearance under the California Environmental Quality Act ("**CEQA**") shall have expired and no such appeal shall have been filed, or if such an administrative or judicial appeal is filed, the approvals or the related CEQA clearance, as applicable, shall have been upheld by a final decision in each such appeal without adverse effect on the applicable approval or the related CEQA clearance and the entry of a final judgment, order or ruling upholding the applicable approval or the related CEQA clearance.

"Initial Improvements" means the improvements described in Attachment 1 to this Work Letter and the associated Building Permits and any amendments thereto. Initial Improvements do not include the Building 258 Demo Work.

"Landlord Delay" means any delay in Tenant's ability to Commence Construction of or Complete the Building 258 Demo Work or the Initial Improvements, as applicable, which is due to: (1) delay in the giving of authorizations or approvals by TIDA beyond the time provided for TIDA review and approval or if no time is specified, then within a reasonable period of time; (2) delay in providing access to the Building 258 Area in the Building 258 Delivery Condition by the Building 258 Delivery Deadline (as such terms are defined in, and as the same may be extended pursuant to, the Landlord's Delivery Condition Letter); (3) delay attributable to the unreasonable acts or interference by TIDA or its agents or contractors while Tenant is performing the Building 258 Demo Work or the Initial Improvements; (4) unreasonable delays in the City issuing the Demolition Permit or the Building Permit; and (5) any delay in Completing (as defined in the Landlord's Delivery Condition Letter) the Grading Work by the Completion Deadline (as the same may be extended pursuant to the Landlord's Delivery Condition Letter).

"**Regulatory Agency**" means the municipal, county, regional, state, or federal government and their bureaus, agencies, departments, divisions, courts, commissions, boards, officers, or other officials, including the City, including other departments, offices, and commissions of the City and County of San Francisco (each in its regulatory capacity), the Navy, or any other governmental agency each to the extent now or later having jurisdiction over Landlord property.

"**Regulatory Approval**" means any authorization, approval, license, registration, or permit required or issued by any Regulatory Agency.

"**Tenant Delay**" is defined in the Landlord Delivery Condition Letter.

1.2. ***Relationship between Work Letter and the Lease.*** This Work Letter governs Tenant's obligations to perform the Building 258 Demo Work and construct the Initial Improvements. This Work Letter addresses, among other matters, the scope of Tenant's obligations to perform the Building 258 Demo Work and design and construct the Initial Improvements, and Tenant's obligations to obtain final approvals for the Building 258 Demo Work and the Initial Improvements. Before the termination of this Work Letter, this Work Letter shall control in the event of any inconsistency between this Work Letter and the Lease. Upon expiry of this Work Letter, the Lease alone will govern the rights and obligations of the parties with respect to use and occupancy of the Premises.

1.3. ***Term.*** This Work Letter shall commence and become effective as of the Lease's Effective Date and shall expire on the date Tenant Completes the Initial Improvements, regardless of whether such date is before or after the Occupancy Date (as defined in the Lease) unless the Lease is earlier terminated in accordance with this Work Letter, the Landlord's Delivery Condition Letter or the Lease.

1.4. ***Lease Provisions.*** The provisions of the Lease, except where clearly inconsistent with or inapplicable to this Work Letter, are incorporated into this Work Letter.

1.5. ***Extensions by Landlord***. Upon the request of Tenant, Landlord's Director may, by written instrument, extend the time for Tenant's performance of any term, covenant or condition of this Work Letter or permit the curing of any default of this Work Letter upon such terms and conditions as she or he determines appropriate, including but not limited to the time within which Tenant must perform such terms and/or conditions, provided, however, that any such extension or permissive curing of any particular default will not operate to relieve Tenant of its obligations to pay Rent or release any of Tenant's obligations nor constitute a waiver of Landlord's rights with respect to any other term, covenant or condition of this Work Letter or the Lease or any other default in, or breach of, the Work Letter or the Lease or otherwise effect the time with respect to the extended date or other dates for performance hereunder.

1.6. ***Extensions due to Force Majeure or Landlord Delay***. Each of Tenant's deadlines set forth in this Work Letter shall be extended by one (1) day for each day of delay due to Force Majeure or Landlord Delay.

2. Building 258 Demo Work; Construction of the Initial Improvements

2.1. ***Tenant's Obligations; Tenant Termination Rights***.

(a) Project Requirements. Tenant hereby agrees for itself, successors, and assignees, to use commercially reasonable efforts to Complete the Building 258 Demo Work and construction of the Initial Improvements. Tenant shall use commercially reasonable efforts to Complete said work free of claims, demands, actions and liens for labor, materials or equipment furnished for the demolition and construction, and in accordance with applicable requirements of (i) all Laws; (ii) this Work Letter, including the Scope of Development and Construction Documents, and the Lease; (iii) the San Francisco Building Code; (iv) required regulatory approvals (as described in Section 10.2 of the Lease); (v) the applicable approvals and Development Documents for the TI/YBI Project; (vi) the design approved by the Landlord and, if required, the Planning Commission, and (vii) the Lease; provided, however, that nothing herein shall prohibit Tenant from disputing any claims, demands, actions, or liens, or enforcing Tenant's rights against a party, in each case where Tenant has a reasonable basis to do so or it would be prudent to do so. All such requirements are sometimes referred to collectively as the "**Project Requirements**." Tenant will perform certain obligations in this Work Letter within the timeframe set forth in the Schedule of Performance attached hereto as ***Attachment 1***. Nothing in this Section 2.1(a) shall relieve Landlord of its obligations under the Landlord's Delivery Condition Letter.

(b) Tenant Termination Rights.

(i) If Tenant (i) is unable to obtain the Demolition Permit within sixty (60) days after the date Tenant submits a complete and accurate application for the Demolition Permit, or (ii) has not obtained all required discretionary approvals for the construction and use of the Initial Improvements for the Permitted Use (other than the Building Permits), including, without limitation, any related clearance under CEQA and any approvals, if necessary, from the San Francisco Planning Commission, and such approvals are not Finally Granted by the date that

is sixty (60) days after Tenant has submitted its applications for such approvals, then Tenant may terminate the Lease upon not less than sixty (60) days' notice to Landlord. If Tenant obtains the Demolition Permit or such approvals are Finally Granted, as applicable, within such sixty (60) day period, then it will be deemed as if Tenant never exercised the termination option. If Tenant does not obtain the Demolition Permit or such approvals are not Finally Granted, as applicable, within such sixty (60) day period, then Landlord shall return to Tenant the Security Deposit and any advance payment of Rent prior to the date the Lease terminates and from and after the termination of the Lease, neither party shall have any further obligations under the Lease. If Tenant terminates the Lease under this section after Tenant starts the Building 258 Demo Work, Tenant expressly agrees and acknowledges that because all or a portion of Building 258 will have been demolished much earlier than Landlord anticipated, Landlord is foregoing revenues from Building 258 much earlier than anticipated and any unapplied and outstanding rent credits that may be available to Tenant for the Building 258 Demo Work will be terminated as of the date of Lease termination. Tenant will have no claim against Landlord for reimbursement for any cost related to the Building 258 Demo Work.

(ii) If Tenant is unable to obtain the Building Permit for the Initial Improvements and such permit is not Finally Granted within [one hundred twenty (120)] days after the date Tenant submits a complete application for such permit or the Department of Building Inspections imposes conditions or restrictions that exceed legal requirements and are unacceptable to Tenant, then Tenant may terminate the Lease upon not less than sixty (60) days' notice to Landlord. If Tenant obtains the initial Building Permit and it is Finally Granted within such sixty (60)-day notice period, then it will be deemed as if Tenant never exercised the termination option. If Tenant does not obtain the Building Permit and it is not Finally Granted within such sixty (60)-day notice period, then Landlord shall return to Tenant the Security Deposit and any advance payment of Rent prior to the date the Lease terminates and from and after the termination of the Lease, neither party shall have any further obligations under the Lease except for those which expressly survive the expiration or sooner termination of the Lease. If Tenant terminates the Lease under this section, Tenant expressly agrees and acknowledges that because Building 258 will have been demolished much earlier than Landlord anticipated, Landlord is foregoing revenues from Building 258 much earlier than anticipated and any unapplied and outstanding rent credits that may be available to Tenant for the Building 258 Demo Work will be terminated as of the date of Lease termination. Tenant will have no claim against Landlord for reimbursement for any cost related to the Building 258 Demo Work.

(c) Scope of Development. Tenant shall use commercially reasonable efforts to perform the Building 258 Demo Work and design and construct or cause to be designed and constructed the Initial Improvements on the Premises in the manner set forth in this Work Letter and with respect to the Initial Improvements, consistent with the scope of development comprised of the Site Plan, any preliminary plans and the narrative description (collectively, the "**Scope of Development"**). All work shall be accomplished expeditiously, diligently and in accordance with good construction and engineering practices and applicable Laws. Tenant shall undertake commercially reasonable measures to minimize damage, disruption or inconvenience caused by such work and make adequate provision for the safety and convenience of all persons affected by such work. Tenant, while performing any work with respect to the Building 258 Demo Work or the Initial Improvements, shall undertake commercially reasonable measures in accordance with good construction practices to minimize the risk of injury or damage to adjoining tenants, properties and improvements, or the risk of injury to members of the public, caused by or resulting from the performance of such construction.

(d) Costs; Private Development. Tenant shall bear all of the cost of construction of all Initial Improvements. Without limiting the foregoing, Tenant shall be responsible for performing all Premises preparation work necessary for construction of the Initial Improvements. Such preparation of the Premises shall include, among other things, asbestos and

lead abatement investigation required for development or operation of the Initial Improvements, all structure and substructure work, disabled access improvements and public access improvements and tenant improvements. Nothing in this Section 2.1(c) shall relieve Landlord of its obligations under the Landlord's Delivery Condition Letter.

2.2. ***Utilities***. Tenant, at its sole expense, shall cap any utilities in connection with the Building 258 Demo Work and arrange for the provision and construction of all on-Premises utilities necessary to use the Premises for the Permitted Use. Tenant and Landlord shall coordinate, if necessary, with respect to (i) installation of any off-Premises utility infrastructure and design of the Initial Improvements, including providing advance notice of trenching requirements, advance notice of known or expected delays or interruptions in such installation, and (ii) any modification of utilities to any proximate Landlord tenants or uses.

2.3. ***Submittals after Completion.*** Tenant shall furnish Landlord both design/permit drawings in their finalized form and "As-Built" Drawings, specifications and surveys with respect to the Initial Improvements within sixty (60) days after Completion of the Initial Improvements. If Tenant fails to provide such surveys and as-built plans and specifications to Landlord within such period of time, Landlord after giving notice to Tenant shall have the right, but not the obligation, to cause the preparation by an architect of Landlord's reasonable choice of final surveys and as-built plans and specifications, at Tenant's sole cost, to be paid by Tenant to Landlord within thirty (30) days after Landlord's request therefor.

2.4. ***Insurance***. [*Note: Section will be refined after review and comments from City Risk Manager and Tenant's insurance broker. May need additional coverage related to Building 258 demo work.*]

(a) At all times during the construction of the Initial Improvements, in addition to the insurance required to be maintained by Tenant under Section 16 of the Lease, Tenant shall require Tenant's contractor to maintain (a) commercial general liability insurance with limits of not less than Three Million Dollars ($3,000,000) combined single limit for bodily injury and property damage (including personal injury and death), and contractor's protective liability; and products and completed operations coverage in an amount not less than Five Hundred Thousand Dollars ($500,000) per incident, One Million Dollars ($1,000,000) in the aggregate; (b) comprehensive automobile liability insurance with a policy limit of not less than One Million Dollars ($1,000,000) each accident for bodily injury and property damage, providing coverage at least as broad as the Insurance Services Office (ISO) Business Auto Coverage form covering Automobile Liability, "**any auto"**, and insuring against all loss in connection with the ownership, maintenance and operation of automotive equipment that is owned, hired or non-owned; (c) workers' compensation with statutory limits and employer's liability insurance with limits of not less than One Hundred Thousand Dollars ($100,000) per accident, Five Hundred Thousand Dollars ($500,000) aggregate disease coverage and One Hundred Thousand Dollars ($100,000) disease coverage per employee. Tenant shall cause Tenant's Agents (other than Tenant's contractor) to carry such insurance as shall be reasonably approved by Landlord taking into account the nature and scope of the work and industry custom and practice.

(b) In addition, Tenant shall carry "**Builder's All Risk**" insurance covering the construction of the Initial Improvements as set forth in ***Section 16 (Insurance)*** of the Lease. The liability insurance shall be written on an "**occurrence"** basis and shall name Landlord as additional insureds (by endorsement reasonably acceptable to Landlord). Subject to Landlord's consent in its reasonable discretion, Tenant may elect to require that any architects, contractors and sub-contractors performing services in connection with the Initial Improvements, carry Builders Risk Insurance in the amounts and types of coverage stated herein and with the additional insureds named as required herein.

(c) All of the insurance required to be carried by Tenant or Tenant's Agents hereunder shall provide that it is primary insurance, and not excess over or contributory with any other valid, existing, and applicable insurance in force for or on behalf of Landlord, shall provide that Landlord shall receive thirty (30) days' written notice from the insurer prior to any cancellation or change of coverage, and shall be placed with companies which are rated A-VIII or better by Best's Insurance Guide and licensed to business in the State of California. All deductibles and self-insured retentions under Tenant's policies are subject to Landlord's reasonable approval, and all insurance, except workers' compensation, maintained by Tenant's Agents shall preclude subrogation claims by the insurer against anyone insured thereunder. Tenant's compliance with the provisions of this Section 2.4 shall in no way limit Tenant's liability under any of the other provisions of this Work Letter or the Lease.

2.5. ***Compliance with Laws***. In performing the Building 258 Demo Work and constructing the Initial Improvements, Tenant shall comply (taking into account any variances or other deviations properly approved), at its sole cost and expense, with: (i) all applicable Laws; (ii) all Regulatory Approvals which place requirements on the Building 258 Demo Work or the Initial Improvements; (iii) all requirements of all policies of insurance which may be applicable to the Premises as to the Building 258 Area during the Building 258 Demo Work, Initial Improvements or Tenant's Property; and (iv) all other applicable Project Requirements. It is expressly understood and agreed that the performance required of Tenant by the preceding sentence shall include the obligation to make, at Tenant's sole cost and expense, all additions to, modifications of, and installations on the Premises which may be required by any Laws regulating the Premises or any insurance policies covering the Premises as to the Building 258 Demo Work, the Initial Improvements or Tenant's Property. Tenant shall, promptly upon request, provide Landlord with reasonable evidence of compliance with Tenant's obligations under this Section. Nothing in this Section 2.5 shall relieve Landlord of its obligations under the Landlord's Work Letter.

2.6. ***Other Governmental Permits***. Tenant has the sole responsibility, at its sole cost and expense, for obtaining all necessary permits for the Building 258 Demo Work and the Initial Improvements and shall make application for such permits directly to the applicable Regulatory Agency. The parties do not anticipate that Landlord will need to act as a co-permittee with respect to the Building 258 Demo Work, the Initial Improvements or the Permitted Use; provided, however, that Tenant shall not agree to the imposition of conditions or restrictions in connection with its efforts to obtain a permit or other entitlement from any Regulatory Agency, if Landlord is required to be a co-permittee under such permit or other entitlement, or if the conditions or restrictions it would impose on the project could affect use or occupancy of areas outside the Premises or would create obligations on the part of Landlord (whether on or off of the Premises) to perform or observe, unless in each instance Landlord has previously approved such conditions in writing, in Landlord's sole and absolute discretion; provided, however, if any conditions or restrictions are limited to the Premises, if Landlord is required to sign as co-permittee for Tenant to obtain the required permit, Landlord will do so as long as Tenant assumes all liability for all such restriction and conditions throughout the Lease Term.

2.7. ***Landlord Rights of Access***. Without limiting the rights of Landlord in its regulatory capacity, Landlord and its Agents will have the right of access to the Premises during regular business hours to the extent reasonably necessary to carry out the purposes of this Work Letter, including, but not limited to, the inspection of the work being performed in performance of the Building 258 Demo Work or constructing the Initial Improvements upon reasonable prior written notice to Tenant; provided, however, Landlord shall take such reasonable action necessary to minimize any interference with Tenant's demolition and construction activities. Landlord will provide Tenant promptly upon request with a copy of any written reports prepared by Landlord or its Agents with respect to the Building 258 Demo Work or Initial Improvements under any such inspection, subject to withholding documents otherwise privileged or

confidential. Landlord disclaims any warranties, representations and statements made in any such reports, will have no liability or responsibility with respect to any such warranties, representations and statements, and will not be estopped from taking any action (including, but not limited to, later claiming that the Building 258 Demo Work or construction of the Initial Improvements is defective, unauthorized or incomplete) nor be required to take any action as a result of any such inspection.

2.8. ***Construction Signs and Barriers***. Tenant shall provide appropriate construction barriers, construction signs and a project sign or banner, and shall post the signs on the Premises during the period of construction. If required under applicable Laws, Tenant will obtain a building permit from the City before the placement of any construction fencing, signage and/or barriers.

3. Preparation And Approval Of Plans

3.1. The Construction Documents. The following provisions shall not apply to the Building 258 Demo Work. Instead, Tenant shall provide Landlord with a copy of the Demolition Permit application that Tenant submits to the City.

(a) Definition of Construction Documents. The "**Construction Documents**" shall be as follows:

(i) Schematic drawings for the Initial Improvements which shall generally include, without limitation, the following:

(1) Perspective drawings sufficient to illustrate the Initial Improvements.

(2) A site plan at appropriate scale showing relationships of the Initial Improvements with their respective uses, designating any areas that are intended to be used for public access ("**Public Access Areas**"), open spaces, walkways, buildings, loading areas, streets, parking, and adjacent uses. Adjacent existing and proposed streets, piers, arcades and structures should also be shown.

(3) Building plans, floor plans and elevations sufficient to describe the development proposal, the general architectural character, and the location and size of uses.

(4) Building sections showing height relationships of those areas noted above.

(ii) "**Preliminary Construction Documents"** in sufficient detail and completeness to show that the Initial Improvements and the construction thereof shall comply with the Project Requirements, and which shall generally include, without limitation:

(1) Premises plan(s) at appropriate scale showing the building, playing fields, parking areas, walkways, and other open spaces. All land uses shall be designated. All Premises development details and bounding streets, points of vehicular and pedestrian access shall be shown.

(2) All building plans and elevations at appropriate scale.

(3) Building sections showing all typical cross sections at appropriate scale.

(4) Floor plans.

(5) Preliminary interior improvement plans.

(6) Plans for proposed Public Access Areas showing details including but not limited to, walls, fences, railings, benches, bicycle racks, street trees, markers, plaques, models, paving, exterior lighting, signs, and trash containers.

(7) Outline specifications for materials, finishes and methods of construction.

(8) Interior and exterior signage plans.

(9) Exterior lighting and fencing plans.

(10) Material and color samples.

(11) Roof plans showing all mechanical and other equipment.

(iii) "**Final Construction Documents"** which shall include all plans and specifications required under applicable codes to be submitted with an application for a Building Permit for the Initial Improvements.

(b) Exclusion. As used in this Work Letter "**Construction Documents"** do not mean any contracts between Tenant and any contractor, subcontractor, architect, engineer, or consultant.

3.2. ***Scope of Tenant Submissions of Construction Documents***. The following provisions apply to all stages of Tenant's submission of Construction Documents. Each of the Construction Document stages is intended to constitute a further development and refinement from the previous stage. The elements of the Preliminary Construction Documents requiring Landlord's approval shall be in substantial conformance with the schematic drawings and the Scope of Development, and shall incorporate conditions, modifications and changes specified by Landlord or required as a condition of Regulatory Approvals as approved by Landlord. Preliminary Construction Documents shall be in sufficient detail and completeness to show that the Initial Improvements and the construction of the Initial Improvements will be in compliance with the Project Requirements and matters previously approved. The Final Construction Documents shall be a final development of, and be based upon and conform to, the approved Preliminary Construction Documents. The elements of the Final Construction Documents requiring Landlord approval shall incorporate conditions, modifications and changes required by Landlord for the approval of the Preliminary Construction Documents. The Final Construction Documents shall include all drawings, specifications and documents necessary for the Initial Improvements to be constructed and completed in accordance with this Work Letter.

3.3. ***Construction Document Review Procedures***.

(a) Delivery; Landlord Review. Delivery of all plans and drawings referred to in this Section 3.3 shall be by messenger service or personal hand delivery, unless otherwise agreed by Landlord and Tenant, except that simple drawings and basic site plans of not more than five (5) pages may be transmitted by email. Tenant shall deliver to Landlord the Construction Documents promptly after Tenant has completed them, which Construction Documents shall be based on the Site Plan, but no later than the date set forth in the Schedule of Performance. The CD Approval Outside Date will be extended for each day Tenant fails to deliver the applicable Construction Documents by the dates set forth in the Schedule of

Performance. The Construction Documents may be submitted in one or more stages and at one or more times, and the time periods for Landlord's approval shall apply with respect to each such portion submitted. Landlord shall approve, disapprove or approve conditionally the Construction Documents (or such portion as has from time to time been submitted), in writing, within fifteen (15) business days after submittal, so long as the applicable Construction Documents are properly submitted in accordance with this Work Letter. If Landlord fails to either approve or disapprove within five (5) business days after Tenant's second written request made to Landlord after such fifteen (15) business day period, then to the extent such failure actually delays Tenant's ability to meet the deadlines set forth in the Schedule of Performance (as reasonably determined by Tenant), such failure shall constitute a Landlord Delay and each day Landlord continues to fail to approve or disapprove shall constitute a day of Landlord Delay.

(b) Timing of Landlord Disapproval/ Conditional Approval and Tenant Resubmission; Tenant Termination Rights. If Landlord disapproves of the applicable Construction Documents in whole or in part, Landlord in the written disapproval shall state the reason or reasons and may recommend changes and make other recommendations. If Landlord conditionally approves the Construction Documents in whole or in part, the conditions shall be stated in writing and a time shall be stated for satisfying the conditions. Tenant shall make the changes necessary in order to address the changes or respond to the recommendations and shall resubmit the Construction Documents to Landlord. Landlord shall approve, disapprove or approve conditionally the resubmitted Construction Documents, in writing, but, in any event, within ten (10) business days after resubmittal. If Landlord fails to either approve or disapprove the resubmittal within five (5) business days after Tenant's second written request made to Landlord after such ten (10) business day period, then to the extent such failure actually delays Tenant's ability to meet the deadlines set forth in the Schedule of Performance, such failure shall constitute a Landlord Delay and each day Landlord continues to fail to approve or disapprove shall constitute a day of Landlord Delay. This procedure shall be repeated until all of the Construction Documents are finally approved by Landlord and written approval has been delivered to and received by Tenant. Provided Tenant has been using commercially reasonable efforts to address each of Landlord's concerns with the Construction Documents and has promptly re-submitted revised plans to Landlord, but Landlord and Tenant are unable to agree on the final set of Construction Documents by the date that is ninety (90) days after the date on which Tenant submitted the first set of Preliminary Construction Documents to Landlord (the "**CD Approval Outside Date**", as such date may be extended pursuant to Section 3.3(a) above) then for each day the CD Approval Outside Date that the parties are unable to agree on the final set of Construction Documents shall constitute one day of Landlord Delay, and the outside date for Tenant to Commence Construction of the Initial Improvements in the Lease shall be extended for each day of Landlord Delay. If Landlord and Tenant have not agreed upon a final set of Construction Documents within thirty (30) days after the CD Approval Outside Date (as such 30-day period may be extended pursuant to Section 3.3(a)), then Tenant may terminate the Lease upon not less than thirty (30) days' notice to Landlord, whereupon Landlord shall promptly return to Tenant the Security Deposit and any advance payment of Rent, and neither party shall have any further obligations under the Lease except for those which expressly survive the expiration or sooner termination of the Lease. If Tenant terminates the Lease under this section, Tenant expressly agrees and acknowledges that because Building 258 will have been demolished much earlier than Landlord anticipated, Landlord is foregoing revenues from Building 258 much earlier than anticipated and any unapplied and outstanding rent credits that may be available to Tenant for the Building 258 Demo Work will be terminated. Tenant will have no claim against Landlord for reimbursement for any cost related to the Building 258 Demo Work.

3.4. ***Changes in Construction Documents.***

(a) Approval of Changes in Construction Documents. Tenant shall not make or cause to be made any material changes in any Landlord-approved Construction Documents

without Landlord's express written approval in its reasonable discretion as provided in Section 3.4(b) below. Without otherwise limiting the requirements of this Section 3.4(a), any changes that cost One Million Five Hundred Thousand Dollars ($1,500,000.00) or less in the aggregate and that would not materially affect the appearance of the athletic training building shall be presumed to be non-material changes.

(b) Response. Tenant shall request in writing Landlord's approval in connection with all material changes to the Construction Documents. Landlord shall give its approval or disapproval to Tenant in writing within ten (10) business days after receipt of Tenant's request. If Landlord disapproves, then it shall specify in writing the reasons for its disapproval. If Landlord fails to approve or disapprove within five (5) business days after Tenant's second written request made to Landlord after the initial 10 (10) day period, then such changes will be deemed approved.

3.5. ***Progress Meetings/Consultation***. During the preparation of Construction Documents, Landlord staff and Tenant (or its representatives or consultants) agree to hold regular progress meetings, as appropriate considering Tenant's Construction Document progress, to coordinate the preparation of, submission to, and review of Construction Documents by Landlord. Landlord staff and Tenant (or its representatives or consultants) agree to communicate and consult informally as frequently as is reasonably necessary to assure that the formal submittal of any Construction Documents to Landlord can receive prompt and speedy consideration and to coordinate regarding the anticipated dates of the items listed on the Schedule of Performance.

4. Completion

4.1. ***Completion of Construction***. Tenant shall use commercially reasonable efforts to commence, prosecute and Complete the (i) Building 258 Demo Work within sixty (60) days after Landlord provides Tenant access to the Building 258 Area in the Building 258 Delivery Condition (as defined in the Landlord's Delivery Condition Letter) and (ii) the other Initial Improvements by the date that is twenty-four (24) months after the Commencement Date (as defined in the Lease). The foregoing time periods may be extended by Force Majeure delays or Landlord Delays. As set forth in the Lease, Tenant shall have up to sixty (60) months to Complete the Initial Improvements provided that Tenant commences to pay Base Rent following the expiration of said 24-month period (as may be extended), as set forth in the Basic Lease Information and Sections 3.4(a) and 4.1 of the Lease. During construction of the Initial Improvements, Tenant shall submit written progress reports to Landlord, in form and detail as may be reasonably required by Landlord, but at least on a monthly basis.

4.2. ***Tenant's Suspension of the Initial Improvements or Failure to Timely Complete Construction***. If, at any time and from time to time and for any reason, Tenant elects not to proceed with or to suspend the design or construction of the Initial Improvements, or fails to Complete the Initial Improvements, then, the Occupancy Date (as extended for Force Majeure delay or Landlord Delay) shall occur in accordance with the Lease's terms, and Tenant's obligation to pay Base Rent in the amount due commencing on the Occupancy Date as set forth in the Lease shall begin, and Landlord may terminate the Lease for Tenant's failure to Complete the Initial Improvements in accordance with Section 3.4(a) of the Lease.

5. No Occupancy Until Completion

Before the Initial Improvements are Complete, Tenant may not occupy the Premises (except for construction purposes under this Work Letter or the Lease or unless Landlord consents to such occupancy); provided, however, that Tenant so long as it obtains necessary sign

off from DBI for the following use, Tenant may use the playing fields and the parking areas if such improvements are Completed prior to the Completion of the athletic training building.

6. Termination Of Lease

6.1. ***Plans and Data.*** If the Premises has been delivered to Tenant and the Lease terminates before Completion of the Initial Improvements, Tenant shall assign and deliver to Landlord (without cost to Landlord), without any warranty or representation from Tenant and subject to the terms of any design professional's, engineer's, consultant's, or contractors agreement with Tenant, any and all copies of reports in its possession regarding the Premises and all Construction Documents in the possession of or prepared for Tenant, for the contracting of the Initial Improvements within thirty (30) days after written demand from Landlord. Landlord may use said reports and Construction Documents for any purpose whatsoever relating to the Premises; provided, however, Landlord shall release Tenant and Tenant's contractor, architect, engineer, agents, employees and other consultants from any Claims arising out of Landlord's use of such reports and Construction Documents except to the extent such contractor, architect, engineer, agent, employee or other consultant is retained by Landlord to complete the Initial Improvements. Tenant shall attempt to include in all contracts and authorizations for services pertaining to the planning and design of the Initial Improvements an express agreement by the Person performing such services that Landlord may use such reports or Construction Documents as provided in this Section 6.1 without compensation or payment from Landlord in the event such reports or Construction Documents are delivered to Landlord under the provisions of this Section 6.1, provided that Landlord agrees (i) not to remove the name of the preparer of such reports of Construction Documents without the preparer's written permission or (ii) to remove it at their written request.

6.2. ***Return of Premises***. If the Lease terminates pursuant to this Section 6, Tenant shall, at its sole expense and as promptly as practicable, return the Premises to Landlord in a safe condition, and unless otherwise requested by Landlord, shall promptly remove all Improvements and Alterations, equipment, loose building materials, and debris present at the Premises resulting from Tenant's construction activities. In the event that Tenant is required to return the Premises as aforesaid, Tenant shall obtain those permits customary and necessary to enter upon the Premises in order to complete such work and shall otherwise comply with applicable Law. In such event, Landlord shall cooperate with Tenant in Tenant's efforts to obtain such permits, provided that Landlord will not be required to expend any money or undertake any obligations in connection therewith. The provisions of this Section shall survive any termination of the Lease.

7. Removal of Initial Improvements. Following Completion of the Initial Improvements, if the Lease is terminated in accordance with Section 3.4 Tenant shall have no obligation to remove the Initial Improvements and Tenant will provide Landlord with keys or other means (e.g., pass cards, passcodes) of accessing the Initial Improvements.

ATTACHMENTS

ATTACHMENT 1 **SCOPE OF DEVELOPMENT AND SCHEDULE OF PERFORMANCE**
ATTACHMENT 2 **SITE PLAN DEPICTING THE PROPOSED INITIAL IMPROVEMENTS**

ATTACHMENT 1

SCOPE OF DEVELOPMENT AND SCHEDULE OF PERFORMANCE

Building 258 Demo Work Description

[to be added]

Initial Improvements Description

Following the demolition of the existing 50,000 square foot building (Building 258), and, following the removal of the soil stockpile and grading of the site (as set forth in the Landlord's Delivery Condition Letter), the Initial Improvements will include Tenant's construction of a professional women's soccer practice facility for Bay FC of the National Women's Soccer League, consisting of an athletic training building up to 25,000 square feet in size with a maximum height of 25 feet above grade, along with three standard professional-sized soccer practice fields.

The athletic training building would include indoor and outdoor facilities for Bay FC team use, including but not limited to athletic training, conditioning, weight rooms, medical and wellness treatment, food preparation and dining, laundry, locker rooms, lounges, meeting and event areas, and spaces for athletic staff offices. Portions of the building may project above the maximum height, such as parapets, mechanical enclosures and other rooftop support facilities, in compliance with the Design for Development of the Development Documents for the TI/YBI Project. The building will have a maximum apparent face of 120 feet to comply with bulk standards in the Design for Development. It would be built on a concrete slab or using micro-piles.

The three soccer practice fields would include two natural grass fields and one artificial turf field, with irrigation systems. Ball stop nets at a height of approximately 32 feet above grade would be provided along the perimeter of the three practice fields. Storage sheds and similar structures would be provided in proximity to the practice fields for field maintenance supplies and equipment. Viewing bleachers would be provided for spectators along with benches and shelter structures for players, coaches, and team staff. A field bubble or other weatherproof temporary cover may be provided on one field at certain times of year to allow for practices to be held in inclement weather. The temporary cover would be a maximum of 80 feet above grade. Additional project fencing at a height of approximately 8 feet would be provided around the entire Phase I Property site. Amplified sound and lighting would be provided to serve the practice fields. Each practice field would have up to four 75-foot-tall lights positioned at the field perimeter to allow for use of the practice fields during the evenings. The lights would typically be activated at dawn (5:00 a.m.) and dusk and would operate at 100 or 60 percent capacity until

11:00 pm. 100% capacity is defined as 50 foot-candles. All site lighting will incorporate cut-off control.

Approximately 100 vehicle parking spaces would be provided within the Premises and in an adjacent parcel as set forth in a separate agreement.

See Attachment 2 to this Work Letter.

SCHEDULE OF PERFORMANCE

(All dates subject to adjustment as set forth in this Work Letter, the Landlord's Delivery Condition Letter and the Lease)

Tenant's application for CEQA clearance and vertical entitlements: _____

Tenant's submittal of the complete application for Demolition Permit: _____

CEQA clearance and vertical entitlements Finally Granted: _____

Tenant's submittal of Preliminary Construction Documents: _____

Tenant's re-submittal of revised PCDs in response to Landlord Comments: within [XX days] after receipt of Landlord Comments (repeated until agreement on Final Construction Documents).

Building 258 Delivery Deadline: _____

Landlord and Tenant agreement on Final Construction Documents: _____

Completion of Building 258 Demo Work: _____

Completion of Grading Work: _____

Tenant's submittal of the Building Permit application: _____

Building Permit Issuance (Finally Granted): _____

Commencement Date: _____

Occupancy Date: _____

ATTACHMENT 2

SITE PLAN DEPICTING THE PROPOSED INITIAL IMPROVEMENTS

Exhibit XX to Lease No. 1,521

Parking Lease Term Sheet Outline

"Main Lease" means Lease No. 1,521 between TIDA and Tenant

"Main Premises" means the premises leased under the Main Lease

1.	Tenant:	BAFC Team Operator, LLC
2.	Landlord or TIDA:	Treasure Island Development Authority
3.	Premises	The triangular lot immediately adjacent to the Main Premises, as more particularly depicted on Exhibit XX
4.	Initial Term:	10 years
5.	Renewal Options:	At the expiration of the lease term and each subsequent anniversary of the expiration date, the lease will automatically renew for 1 year term unless terminated by either party in accordance with the lease.
6.	Rent and Security Deposit::	Same rental rate as Main Lease. Security Deposit equal to twice the monthly rent.
7.	Permitted Use:	Parking to serve users of the Main Premises. So long as Tenant complies with all applicable Laws, Tenant may stripe the Premises to maximize the number of automobiles that can be parked onsite, including use of stacking equipment or valet service.
8.	As-Is/Delivery Condition of Premises:	Same as-is provisions as the Main Lease. Premises delivered roughly graded +/- 3 ft.
9.	Tenant Termination Right:	Same as Main Lease.
10.	Landlord Termination Right:	Landlord has right to terminate the Parking Lease upon satisfaction of all the following conditions: 1. The Premises is needed to advance development of the TI/YBI Project. 2. Landlord has provided Tenant at least 12 months' prior notice that Landlord anticipates exercising its termination option. Landlord will deliver a subsequent notice no earlier than 9 months' from the initial notice with an updated vacation date. Tenant will have at least 3-months' prior notice to vacate on specific date. 3. Until the public parking garage on Treasure Island is built and available to the public, if there are available parking lots available for the public's use near the Main Premises, TIDA will use commercially reasonable efforts to provide Tenant up to XX parking spaces at fair market rent at such parking lots.

		4. If the public parking garage on Treasure Island is open to the public by the time the Parking Lease terminates, Tenant may use the public parking garage at the then rates charged to the public. Landlord will use commercially reasonable efforts provide Tenant notice of when the Master Developer submits the next sub-phase application.
11.	Automatic Termination:	Parking Lease automatically terminates on the date the Main Lease terminates.
12.	Tenant Improvements:	Tenant at its sole cost, will construct the necessary improvements so that the Premises may be used for the Permitted Use.
13.	Rent Credits:	None.
14.	Maintenance and Repair:	Sole responsibility of Tenant.
15.	Utilities:	Sole responsibility of Tenant.
16.	Cross Default:	A default under the Main Lease will be deemed a default under the Parking Lease.
17.	Assignment:	Tenant may assign the Parking Lease to any assignee of Main Lease without Landlord's prior approval so long as the assignee also assumes all of Tenant's obligations under the Parking Lease. Any other assignment is subject to Landlord's prior approval in its sole discretion.
18.	Indemnity and Release:	Same as the Main Lease.
19.	Insurance:	Same as the Main Lease.

San Francisco Planning

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MEMORANDUM TO FILE

Date:	November 8, 2024
To:	File
From:	Don Lewis, Senior Environmental Planner
Re:	Bay FC Training Facility on Treasure Island / 2007.0903E

Introduction

Treasure Island and Yerba Buena Island (collectively, "the Islands") are in the San Francisco Bay, about halfway between the San Francisco mainland and the City of Oakland; together the Islands comprise approximately 550 acres. The Islands are the site of the former Naval Station Treasure Island ("NSTI"), which the United States Navy owned prior to its closure on September 20, 1997. The closure was part of the United States Department of Defense's Base Realignment and Closure III program. The Islands also include a U.S. Coast Guard Station, the Job Corps site, which is under the management of the U.S. Department of Labor, and land occupied by the San Francisco-Oakland Bay Bridge and tunnel structures.[1]

A final environmental impact report ("FEIR") for the subject project, file number 2007.0903E was certified on April 7, 2011.[2] The project analyzed in the FEIR is the Treasure Island and Yerba Buena Island Area Plan ("Area Plan") which provides the basis for redevelopment of most of the Islands from a primarily low-density residential area with vacant and underutilized nonresidential structures to a new mixed-use community with a retail center, open space and recreational opportunities, on-site infrastructure, and public and community services, as described in more detail below.

The Area Plan was added to the *San Francisco General Plan* on April 5, 2011. The Area Plan contains objectives and policies to guide development on the Islands; it includes sections on Land Use, Community Design and Built Form, Transportation and Circulation, Economic Development, Recreation and Open Space, Sustainability, and Infrastructure.

In addition, a Treasure Island/Yerba Buena Island Special Use District ("SUD") was added to the San Francisco Planning Code as planning code section 259.52, along with Zoning Map amendments (Sectional Map HT14).

[1] No changes to the Job Corps site, the Coast Guard Station and/or the land occupied by the San Francisco-Oakland Bay Bridge and tunnel structures were contemplated as part of the redevelopment of the Islands. These areas are not considered part of the project site delineated for environmental review purposes.

[2] San Francisco Planning Department, *Treasure Island/Yerba Buena Island Redevelopment Project Final Environmental Impact Report*, Planning Department Case No. 2007.0903E, State Clearinghouse No. 2008012105, certified April 7, 2011. Available online at: Environmental Review Documents | SF Planning, accessed October 25, 2024.

The SUD implements the objectives and policies of the Area Plan. It includes new zoning controls for the Islands, a list of permitted uses, provisions for the continuation and termination of non-conforming uses, building standards (including height, bulk, massing, separation of towers, and setbacks), maximum parking standards, and review and approval standards. It also establishes a Tidelands Trust Overlay Zone.

The SUD provides the framework for review and approval by the Planning Commission and Planning Department of vertical development (structures) and uses on Treasure Island and Yerba Buena Island on property that is not subject to the Tidelands Trust, and identifies the Treasure Island Development Authority ("TIDA") as the entity with primary jurisdiction over horizontal development (streets, pathways, flood improvements, etc.) throughout the Islands and over vertical development and uses within the Tidelands Trust Overlay Zone, subject to applicable permitting requirements.

The SUD also includes references to the proposed *Design for Development,* which contains the standards and guidelines for development on the Islands; these comprise the basis for the development controls promulgated in the SUD.

The development program analyzed in the EIR included approximately 8,000 residential units (of which up to 2,000 units would be affordable)[3,4], 140,000 square feet of commercial and retail space, 100,000 square feet of office space, up to 500 hotel rooms, and 300 acres of parks and open space. Development of the Islands also includes new transportation, bicycle and pedestrian facilities, a ferry terminal and a transit hub, public and community services, and new and upgraded utilities infrastructure. Other development activities include supplemental remediation to allow the proposed uses, geotechnical stabilization, and renovation and adaptive re-use of existing historic structures.

To date, significant progress has been made in the first stage of horizontal and vertical construction. Redevelopment activities have included new streets and new and upgraded utilities infrastructure, the creation of new parks, installation of public art, and the initiation of ferry service. In addition, nearly 1,000 housing units are at or near completion.

Proposed Modifications

The proposed modifications would construct a professional women's soccer training facility for Bay FC of the National Women's Soccer League. The approximately 8.5-acre "Phase I Property" project site is located towards the center of Treasure Island (Assessor's Block 8925), with 9th Street to the north, Avenue H (Macky Way) to the east, and 5th Street (Golden Bell Way) to the south, and the future Passiflora Way Extension to the east. The project site contains a two-story commercial building approximately 50,000 square feet in size and stockpile soil associated with the Treasure Island/Yerba Buena Island Development Project.

The modified project would demolish the existing two-story building, remove the stockpile soil, grade the project site, and construct a soccer facility consisting of a 25-foot-tall, approximately 25,000-square-foot

[3] Subsequent to the publication of the Comments and Responses document for the Environmental Impact Report (EIR) and prior to the certification of the final EIR the main financing mechanism for the project shifted from tax increment financing to an infrastructure financing district mechanism. An indirect result of this change was that the number of affordable housing units was reduced from approximately 2,400 as discussed in the EIR to approximately 2,000 units.

[4] San Francisco Planning Department, *Memo to the Planning Commission RE: Treasure Island/Yerba Buena Island - Case No. 2007.0903E*. April 12, 2011.

athletic training building, three full-sized soccer fields[5], and approximately 100 vehicle parking spaces for Bay FC.[6]

The proposed building would include indoor and outdoor facilities for Bay FC team use, including but not limited to athletic training, conditioning, weight rooms, medical and wellness treatment, food preparation and dining, laundry, locker rooms, lounges, meeting and event areas, and spaces for athletic staff offices. Portions of the building may project above the maximum height of 25 feet, such as parapets, mechanical enclosures and other rooftop support facilities. The proposed building would be supported by either a concrete slab or micro-piles.

Ball stop nets at a height of approximately 32 feet above grade would be provided along the perimeter of the three soccer fields. Storage sheds and similar structures would be provided in proximity to the practice fields for field maintenance supplies and equipment. Viewing bleachers would be provided for spectators along with benches and shelter structures for players, coaches, and team staff. A field bubble, or other weatherproof temporary cover, may be provided on one field at certain times of year to allow for practices to be held in inclement weather. The temporary cover would be a maximum of 80 feet above grade. Additional project fencing at a height of approximately 8 feet would be provided around the project site.

Amplified sound and lighting would be provided to serve the practice fields. Each practice field would have up to four 75-foot-tall lights positioned at the field perimeter to allow for use of the practice fields during the evenings. The lights would be activated at 100 or 60 percent capacity and would operate from 5 a.m. to 9 a.m. and from dusk until 11 p.m.[7] All site lighting would incorporate cut-off control. The proposed lights are designed to concentrate the light on the field area with minimal light emitted outside the targeted areas. The proposed lighting system, which is specifically designed for sports fields, would be equipped with spill and glare shielding. The light system would be designed to focus the light on the field evenly while minimizing the spread of light upward and beyond the project site boundaries.

A potential Phase II of the project could provide up to three additional soccer fields on a 7.5-acre site (the "Phase II Property") east of the Phase I Property. The specific programing for the Phase II Property would be subject to a public space planning process to be conducted in the future.

Analysis of Potential Environmental Impact

At the location of the proposed Bay FC soccer training facility, the FEIR analyzed an approximately 20-acre urban agricultural park adjacent to a 40-acre Sports Park. The Sports Park would be a regional recreational park with a variety of athletic fields and associated facilities.[8] The FEIR analyzed that the Sports Park would include lighting for nighttime use.[9] The FEIR determined that the potential for project impacts from nighttime lighting would be greatest for the existing residential uses that would remain (like the Job Corps site), and the new residential uses that would be constructed under the Development Program.

[5] Of the three proposed fields, two would be natural grass with irrigation systems and one would be artificial turf.
[6] Potential layout of the fields, building, and parking lot can be located at Bay FC_CEQA Exhibit A_20241022V3.pdf, accessed November 4, 2024.
[7] 100 percent capacity is defined as 50 foot-candles and 60 percent capacity is defined as 30 foot-candles.
[8] The facilities may include courts and fields for baseball (including batting cages), softball, soccer, rugby, lacrosse, and volleyball, as well as associated services such as a concessionaire, parking, and restroom facilities.
[9] The FEIR acknowledged numerous lights poles that would be up to 70 feet in height.

The *Design for Development* includes lighting standards and guidelines that would minimize light trespass and obtrusive light and preserve the nighttime environment by minimizing light pollution. The lighting standards require that all new outdoor lighting fixtures include cutoff control, which limits the intensity of horizontal light emitted by lighting fixtures. The lighting standards also establish performance criteria which all new outdoor lighting must meet to minimize light trespass onto neighboring properties. The lighting standards, which have been developed by the Illuminating Engineering Society of North America (IESNA), establish the appropriate corresponding limits on the intensity of light (in foot-candles) as measured at the site boundary of the affected use.

The *Design for Development* includes lighting guidelines for the Sports Park. Sports Park lighting guidelines call for lighting fixtures to adhere to IESNA standards. The FEIR determined that compliance with the IESNA standards required by the *Design for Development* would ensure that the potential impact of light trespass from new project lighting on existing residents, including those at the Job Corps campus, and on proposed new residential uses on Treasure Island and Yerba Buena Island would be less than significant. The FEIR determined that proposed project would be less than significant impacts related to light and glare.

Similar to the Development Program that was analyzed in the FEIR, the existing building on the Phase I Property was proposed for demolition, and the FEIR did not identify the existing building to be a historical resource.[10] The Development Program also proposed approximately 11,155 parking spaces to be provided on the Islands, with approximately 465 spaces in the open space area. The 100 parking spaces proposed by the modified project is also within the planned development analyzed in the FEIR.

The modified project proposes demolition of an existing building, grading of the project site, and construction of a new building with playing fields and a surface parking lot. These proposed uses and construction activities have been fully analyzed in the FEIR. In addition, impacts from the use of sports lighting was also analyzed in the FEIR. Any environmental impacts associated with construction and operational activities of the modified project would be the same as those analyzed in the FEIR.,

The following FEIR mitigation measures would apply to the modified project: M-TR-1: Construction Traffic Management Program; M-NO-1a: Reduce Noise Levels During Construction; M-AQ-1: Implementation of BAAQMD-Identified Basic Construction Mitigation Measures; M-BI-1b: Pre-project Surveys for Nesting Birds; M-BI-1c: Minimizing Disturbance to Bats; M-BI-4a: Minimizing Bird Strikes; M-HZ-1: Soil and Groundwater Management Plan; M-HZ-8: Construction Best Management Practices; and M-CP-1: Archaeological Testing, Monitoring, Data Recovery and Reporting

The FEIR analyzed a range of building heights on Treasure Island. Approximately 50 percent of housing units would be in low-rise buildings of up to 70 feet, with a range of taller mid-rise and high-rise buildings from 85 to 240 feet. The tallest buildings would be located in and adjacent to the Island Center District, with one 650-foot-tall building located there. Any impacts related to the proposed temporary 80-foot-tall field bubble have been disclosed in the FEIR. Furthermore, the proposed amplified sound at the training facility

[10] Removal of the stockpile soil and grading of the project site was planned under the Development Program.

would be regulated by Article 29 of the Police Code (section 2909 (d), Fixed Residential Interior Noise Limits).[11]

Based on the above, the modified project would not result in new environmental impacts, substantially increase the severity of the previously identified environmental impacts, nor require new or revised mitigation measures. Furthermore, applicable FEIR mitigation measures would apply to the modified project. As such, all environmental impacts of the proposed Bay FC project (both construction and operational) would have the same conclusions as were disclosed in the final EIR that analyzed the approved project.

Conclusion

San Francisco Administrative Code Section 31.19(c)(1) states that a modified project must be reevaluated and that, "If, on the basis of such reevaluation, the Environmental Review Officer determines, based on the requirements of CEQA, that no additional environmental review is necessary, this determination and the reasons therefore shall be noted in writing in the case record, and no further evaluation shall be required by this Chapter." Thus, for the reasons outlined above, this memorandum to file provides sufficient documentation that the modified project does not warrant additional environmental review.

[11] In order to prevent sleep disturbance, protect public health and prevent the acoustical environment from progressive deterioration due to the increasing use and influence of mechanical equipment, no fixed noise source may cause the noise level measured inside any sleeping or living room in any dwelling unit located on residential property to exceed 45 dBA between the hours of 10:00 p.m. to 7:00 a.m. or 55 dBA between the hours of 7:00 a.m. to 10:00p.m. with windows open except where building ventilation is achieved through mechanical systems that allow windows to remain closed.

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Planning Commission Motion No 18325
ENVIRONMENTAL IMPACT REPORT CERTIFICATION

Hearing Date:	April 21, 2011
Case No.:	2007.0903E
Project Address:	Treasure Island and Yerba Buena Island
Zoning:	P (Public) 40-X Height and Bulk District
Block/Lot:	1939/001 and 002
Project Sponsors:	Treasure Island Development Authority Rich Hillis, Director of Development City Hall, Room 448 1 Dr. Carlton B. Goodlett Place San Francisco, CA 94111 and Treasure Island Community Development, LLC Alexandra Galovich Wilson Meany Sullivan Four Embarcadero Center, Suite 3300 San Francisco, CA 94102
Staff Contact:	Rick Cooper – (415) 575-9027 Rick.cooper@sfgov.org

ADOPTING FINDINGS RELATED TO THE CERTIFICATION OF A FINAL ENVIRONMENTAL IMPACT REPORT FOR THE PROPOSED TREASURE ISLAND/YERBA BUENA ISLAND PROJECT.

MOVED, that the San Francisco Planning Commission (hereinafter "Commission") hereby CERTIFIES the Final Environmental Impact Report identified as Case No. 2007.0903E (hereinafter "Project"), based upon the following findings:

1. The City and County of San Francisco, acting through the Planning Department (hereinafter "Department") fulfilled all procedural requirements of the California Environmental Quality Act (Cal. Pub. Res. Code Section 21000 *et seq.*, hereinafter "CEQA"), the State CEQA Guidelines (Cal. Admin. Code Title 14, Section 15000 *et seq.*, (hereinafter "CEQA Guidelines") and Chapter 31 of the San Francisco Administrative Code (hereinafter "Chapter 31").

   A. The Department determined that an Environmental Impact Report (hereinafter "EIR") was required and provided public notice of that determination by publication in a newspaper of general circulation on January 26, 2008.

   B. On July 12, 2010, the Department published the Draft Environmental Impact Report (hereinafter "DEIR") and provided public notice in a newspaper of general circulation of

the availability of the DEIR for public review and comment and of the date and time of the Planning Commission public hearing on the DEIR; this notice was mailed to the Department's list of persons requesting such notice.

C. Notices of availability of the DEIR and of the date and time of the public hearing were posted near the project site by Department staff on July 12, 2010.

D. On July 12, 2010, copies of the DEIR were mailed or otherwise delivered to a list of persons requesting it, to those noted on the distribution list in the DEIR, to adjacent property owners, and to government agencies, the latter both directly and through the State Clearinghouse.

E. Notice of Completion was filed with the State Secretary of Resources via the State Clearinghouse on July 12, 2010.

2. The Commission held a duly advertised public hearing on said DEIR on August 12, 2010, at which opportunity for public comment was given, and public comment was received on the DEIR. The period for acceptance of written comments ended on September 10, 2010.

3. The Department prepared responses to comments on environmental issues received at the public hearing and in writing during the 59-day public review period for the DEIR, prepared revisions to the text of the DEIR in response to comments received or based on additional information that became available during the public review period, and corrected errors in the DEIR. This material was presented in a Comments and Responses document, published on March 10, 2011, distributed to the Commission and all parties who commented on the DEIR, and made available to others upon request at the Department.

4. A Final Environmental Impact Report has been prepared by the Department, consisting of the Draft Environmental Impact Report, any consultations and comments received during the review process, any additional information that became available, and the Comments and Responses document all as required by law.

5. Following publication of the Environmental Impact Report, the Project's structure and financing were changed from a Redevelopment Plan and financing mechanism to an Area Plan to be included within the San Francisco General Plan and partial financing through an Infrastructure Financing District. These changes in turn result in the amount of affordable housing units to be reduced from approximately 2,400 units to 2,000 units. A memorandum describing these changes and other minor Project changes since publication of the EIR has been prepared and distributed by the Department which describes and evaluates these changes and presents minor amendments to the text of the EIR to reflect the changes. The memorandum demonstrates and concludes that the revisions to the Project would not substantially change the analysis and conclusions of the EIR. No new significant impacts or substantial increase in the severity of already identified significant impacts, no new mitigation measures, and no new alternatives result from these changes. Thus recirculation of the EIR for public review and comment is not required.

6. Project Environmental Impact Report files have been made available for review by the Commission and the public. These files are available for public review at the Department at 1650 Mission Street, and are part of the record before the Commission.

7. On April 21, 2011, the Commission reviewed and considered the Final Environmental Impact Report and hereby does find that the contents of said report and the procedures through which the Final Environmental Impact Report was prepared, publicized, and reviewed comply with the provisions of CEQA, the CEQA Guidelines, and Chapter 31 of the San Francisco Administrative Code.

8. The Planning Commission hereby does find that the Final Environmental Impact Report concerning File No. 2007.0903E reflects the independent judgment and analysis of the City and County of San Francisco, is adequate, accurate and objective, and that the Comments and Responses document contains no significant revisions to the DEIR, and hereby does CERTIFY THE COMPLETION of said Final Environmental Impact Report in compliance with CEQA and the CEQA Guidelines.

9. The Commission, in certifying the completion of said Final Environmental Impact Report, hereby does find that the project described in the Environmental Impact Report:

   A. Will result in the following significant and unavoidable project-specific environmental impacts:

   1) Alteration of scenic vistas of San Francisco and San Francisco Bay from public vantage points along the eastern shoreline of San Francisco, Telegraph Hill, the East Bay shoreline, and from the Bay Bridge east span.

   2) Impairment of the significance of an historical resource by demolition of the Damage Control Trainer.

   3) Construction impacts on the transportation and circulation network, including increased delay and congestion on the Bay Bridge near the ramps during the peak periods, and disruption to transit, pedestrian, bicycle, and vehicular traffic on the Islands due to roadway closures.

   4) Significant contribution to existing LOS E operating conditions during the weekday PM peak hour and during the Saturday peak hour at the eastbound off-ramp on the west side of Yerba Buena Island.

   5) Under conditions without the TI/YBI Ramps Project, traffic impacts at the two westbound on-ramps.

   6) Under conditions with the Ramps Project, traffic impacts during the AM and PM peak hours at the ramp meter at the westbound on-ramp on the east side of Yerba Buena Island.

7) Queuing at the Bay Bridge toll plaza during the weekday AM peak hour, with and without the TI/YBI Ramps Project.

8) Queuing on San Francisco streets approaching Bay Bridge during the weekday PM peak hour with and without the TI/YBI Ramps Project.

9) Traffic impact at the following nine intersections:

- Intersection of First/Market;
- Intersection of First/Mission;
- Intersection of First/Folsom;
- Intersection of First/Harrison/I-80 Eastbound On-Ramp;
- Intersection of Bryant/Fifth/I-80 Eastbound On-Ramp; and
- Intersection of Fifth/Harrison/I-80 Westbound Off-Ramp
- Intersection of Folsom/Essex;
- Intersection of Bryant/Sterling; and
- Intersection of Second/Folsom.

10) Exceedance of the available transit capacity of Muni's 108-Treasure Island bus line serving the Islands during the AM, PM and Saturday peak hours.

11) AC Transit operations on Hillcrest Road between Treasure Island and the eastbound on-ramp to the Bay Bridge without the Ramps Project.

12) AC Transit operations on Treasure Island Road and Hillcrest Road between Treasure Island and the eastbound on-ramp to the Bay Bridge with the Ramps Project.

13) Traffic congestion in downtown San Francisco, which would increase travel time and would impact operations of the following three bus lines:

- Muni 27-Bryant;
- Muni 30X-Marina Express; and
- Muni 47-Van Ness bus line.

14) Exceedance of the capacity utilization standard on Muni's 108-Treasure Island bus line serving the Islands from a shift from auto to transit modes, resulting from parking

shortfall on the Islands and leading to an increase in transit travel demand during the peak hours.

15) Construction noise levels above existing ambient conditions.

16) Exposure of persons and structures to excessive ground-borne vibration or ground-borne noise levels during construction from on-shore pile "impact activities," such as pile driving and deep dynamic compaction, and vibro-compaction.

17) Increase in ambient noise levels in the project vicinity above existing ambient noise levels from project-related traffic and ferry noise.

18) Violation of air quality standards.

19) Exposure of sensitive receptors to substantial levels of toxic air contaminants.

20) Exposure of sensitive receptors to substantial levels of PM2.5.

21) Violation of air quality standards during project operations.

22) Exposure of sensitive receptors to substantial pollutant concentrations.

23) Potential conflict with adopted plans related to air quality.

24) Temporary wind hazard impacts during phased construction.

25) Potential exposure of publicly accessible locations within the Project Site to wind hazards

26) Potential adverse impacts on movement of rafting waterfowl from ferry operations.

B. Will contribute considerably to the following cumulative environmental impacts:

1) Potential cumulative construction-related traffic impacts in the project vicinity.

2) Cumulative traffic impacts at the eastbound off-ramp on the west side of Yerba Buena Island.

3) Under conditions without the Ramps Project, cumulative traffic impacts at the two westbound on-ramps.

4) Under conditions with the Ramps Project, cumulative traffic impacts during the AM and PM peak hours at the ramp meter at the westbound on-ramp on the east side of Yerba Buena Island.

5) Cumulative queuing impacts at the Bay Bridge toll plaza during the AM and PM peak hours.

6) Cumulative queuing impacts on San Francisco streets approaching the Bay Bridge during the weekday AM and PM and Saturday peak hours.

7) Traffic impact at the following nine intersections:

- Intersection of First/Market;
- Intersection of First/Mission;
- Intersection of First/Folsom;
- Intersection of First/Harrison/I-80 Eastbound On-Ramp;
- Intersection of Bryant/Fifth/I-80 Eastbound On-Ramp;
- Intersection of Fifth/Harrison/I-80 Westbound Off-Ramp
- Intersection of Folsom/Essex;
- Intersection of Bryant/Sterling; and
- Intersection of Second/Folsom.

8) Cumulative traffic congestion in downtown San Francisco, which would increase travel time and would impact operations of the following four bus lines:

- Muni 27-Bryant bus line;
- Muni 30X-Marina Express bus line;
- Muni 47-Van Ness bus line; and
- Muni 10-Townsend bus line.

9) Cumulative construction noise impacts from other cumulative development in the area, including the Clipper Cove Marina and the Yerba Buena Island Ramps Improvement Project, which could have construction activities that occur simultaneously with those of the Project.

10) Increases in traffic from the project in combination with other development would result in cumulative traffic noise impacts.

11) Cumulative air quality impacts.

11) The Project, when combined with other cumulative projects, could result in exposure of publicly accessible locations within the Project Site to wind hazards.

12) Potential cumulative impacts on rafting waterfowl.

I hereby certify that the foregoing Motion was ADOPTED by the Planning Commission at its regular meeting of April 21, 2011.

FOR

Linda Avery
Commission Secretary

AYES: Commissioners Antonini, Borden, Fong, Miguel

NOES: Commissioners Olague, Moore, Sugaya

ABSENT: None

ADOPTED: April 21, 2011

[Environmental Impact Report Certification]

Resolution certifying a final Environmental Impact Report for the Treasure Island/Yerba Buena Island Project.

WHEREAS, The City and County of San Francisco, acting through the Planning Department and Treasure Island Development Authority staff (hereinafter "Department and Authority Staff") fulfilled all procedural requirements of the California Environmental Quality Act (Cal. Pub. Res. Code Sections 21000 *et seq.*, hereinafter "CEQA"), the State CEQA Guidelines (Cal. Admin. Code Title 14, Sections 15000 *et seq.*, (hereinafter "CEQA Guidelines") and Chapter 31 of the San Francisco Administrative Code (hereinafter "Chapter 31") in regard to the Final Environmental Impact Report identified as Planning Department Case No. 2007.0903E (hereinafter "FEIR") for the proposed Treasure Island/Yerba Buena Island Project ("Project"); and,

WHEREAS, The Department and Authority Staff determined that an Environmental Impact Report (hereinafter "EIR") was required and provided public notice of that determination by publication in a newspaper of general circulation on January 26, 2008; and,

WHEREAS, On July 12, 2010, the Department and Authority Staff published the Draft Environmental Impact Report (hereinafter "DEIR") and provided public notice in a newspaper of general circulation of the availability of the DEIR for public review and comment and of the date and time of the Planning Commission public hearing on the DEIR; this notice was mailed to the Department's list of persons requesting such notice; and,

WHEREAS, Notices of availability of the DEIR and of the date and time of the public hearing were posted near the project site by Department and Authority Staff on July 12, 2010; and,

WHEREAS, On July 12, 2010, copies of the DEIR were mailed or otherwise delivered to a list of persons requesting it, to those noted on the distribution list in the DEIR, to adjacent

property owners, and to government agencies, the latter both directly and through the State Clearinghouse; and,

WHEREAS, The Notice of Completion was filed with the State Secretary of Resources via the State Clearinghouse on July 12, 2010; and,

WHEREAS, The Treasure Island Development Authority Board of Directors (hereinafter "Authority Board") and Planning Commission held a duly advertised joint public hearing on said DEIR on August 12, 2010, at which time opportunity for public comment was given, and public comment was received on the DEIR. The period for acceptance of written comments ended on September 10, 2010; and,

WHEREAS, The Department and Authority Staff prepared responses to comments on environmental issues received at the public hearing and in writing during the 59-day public review period for the DEIR, prepared revisions to the text of the DEIR in response to comments received or based on additional information that became available during the public review period, and corrected errors in the DEIR. This material was presented in a Comments and Responses document, published on March 10, 2011, distributed to the Authority Board and all parties who commented on the DEIR, and made available to others upon request at the Department; and,

WHEREAS, A Final Environmental Impact Report has been prepared by the Department and Authority Staff, consisting of the Draft Environmental Impact Report, any consultations and comments received during the review process, any additional information that became available, and the Comments and Responses document all as required by law ("FEIR"); and,

WHEREAS, Following publication of the Environmental Impact Report, the Project's structure and financing were changed from a Redevelopment Plan and financing mechanism to an Area Plan to be included within the San Francisco General Plan and partial financing

through an Infrastructure Financing District. These changes in turn result in the amount of affordable housing units to be reduced from approximately 2,400 units to 2,000 units. The Department and Authority Staff prepared a memorandum describing these changes and other minor Project changes since publication of the FEIR. The memorandum evaluates these changes and presents minor amendments to the text of the EIR to reflect the changes. The memorandum demonstrates and concludes that the revisions to the Project would not substantially change the analysis and conclusions of the EIR. No new significant impacts or substantial increase in the severity of already identified significant impacts, no new mitigation measures, and no new alternatives result from these changes. Thus, recirculation of the EIR for public review and comment is not required; and,

WHEREAS, The FIER and its related files have been made available for review by the Authority Board, the Commission, and the public. These files are available for public review at the Department at 1650 Mission Street, and are part of the record before the Authority Board; and,

WHEREAS, On April 21, 2011, the Authority Board at a joint hearing with the Planning Commission reviewed and considered the FEIR; and,

WHEREAS, The Authority Board hereby does find that the Project described in the Environmental Impact Report:

- Will result in the following significant and unavoidable project-specific environmental impacts:
    - Alteration of scenic vistas of San Francisco and San Francisco Bay from public vantage points along the eastern shoreline of San Francisco, Telegraph Hill, the East Bay shoreline, and from the Bay Bridge east span.

- Impairment of the significance of an historical resource by demolition of the Damage Control Trainer.
- Construction impacts on the transportation and circulation network, including increased delay and congestion on the Bay Bridge near the ramps during the peak periods, and disruption to transit, pedestrian, bicycle, and vehicular traffic on the Islands due to roadway closures.
- Significant contribution to existing LOS E operating conditions during the weekday PM peak hour and during the Saturday peak hour at the eastbound off-ramp on the west side of Yerba Buena Island.
- Under conditions without the TI/YBI Ramps Project, traffic impacts at the two westbound on-ramps.
- Under conditions with the Ramps Project, traffic impacts during the AM and PM peak hours at the ramp meter at the westbound on-ramp on the east side of Yerba Buena Island.
- Queuing at the Bay Bridge toll plaza during the weekday AM peak hour, with and without the TI/YBI Ramps Project.
- Queuing on San Francisco streets approaching Bay Bridge during the weekday PM peak hour with and without the TI/YBI Ramps Project.
- Traffic impact at the following nine intersections:
  - Intersection of First/Market;
  - Intersection of First/Mission;
  - Intersection of First/Folsom;
  - Intersection of First/Harrison/I-80 Eastbound On-Ramp;
  - Intersection of Bryant/Fifth/I-80 Eastbound On-Ramp; and
  - Intersection of Fifth/Harrison/I-80 Westbound Off-Ramp

- Intersection of Folsom/Essex;
- Intersection of Bryant/Sterling; and
- Intersection of Second/Folsom.

- Exceedance of the available transit capacity of Muni's 108-Treasure Island bus line serving the Islands during the AM, PM and Saturday peak hours.
- AC Transit operations on Hillcrest Road between Treasure Island and the eastbound on-ramp to the Bay Bridge without the Ramps Project.
- AC Transit operations on Treasure Island Road and Hillcrest Road between Treasure Island and the eastbound on-ramp to the Bay Bridge with the Ramps Project.
- Traffic congestion in downtown San Francisco, which would increase travel time and would impact operations of the following three bus lines:
  - Muni 27-Bryant;
  - Muni 30X-Marina Express; and
  - Muni 47-Van Ness bus line.
- Exceedance of the capacity utilization standard on Muni's 108-Treasure Island bus line serving the Islands from a shift from auto to transit modes, resulting from parking shortfall on the Islands and leading to an increase in transit travel demand during the peak hours.
- Construction noise levels above existing ambient conditions.
- Exposure of persons and structures to excessive ground-borne vibration or ground-borne noise levels during construction from on-shore pile "impact activities," such as pile driving and deep dynamic compaction, and vibro-compaction.

- Increase in ambient noise levels in the project vicinity above existing ambient noise levels from project-related traffic and ferry noise.
- Violation of air quality standards.
- Exposure of sensitive receptors to substantial levels of toxic air contaminants.
- Exposure of sensitive receptors to substantial levels of PM2.5.
- Violation of air quality standards during project operations.
- Exposure of sensitive receptors to substantial pollutant concentrations.
- Potential conflict with adopted plans related to air quality.
- Temporary wind hazard impacts during phased construction.
- Potential exposure of publicly accessible locations within the Project Site to wind hazards
- Potential adverse impacts on movement of rafting waterfowl from ferry operations; now, therefore be it

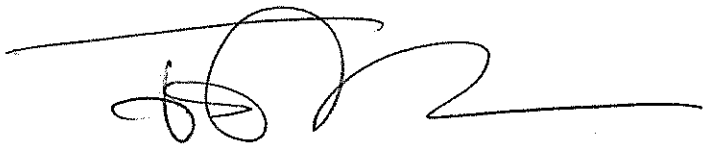
RESOLVED, The Authority Board hereby does find that the contents of the FEIR and the procedures through which the FEIR was prepared, publicized, and reviewed comply with the provisions of CEQA, the CEQA Guidelines, and Chapter 31 of the San Francisco Administrative Code; and, be it

FURTHER RESOLVED, The Authority Board hereby does find that the FEIR (Planning Department File No. 2007.0903E) reflects the independent judgment and analysis of the Authority Board, is adequate, accurate and objective, and that the Comments and Responses document contains no significant revisions to the DEIR; and, be it

FURTHER RESOLVED, The Authority Board hereby does CERTIFY THE COMPLETION of said FEIR in compliance with CEQA, the CEQA Guidelines, and Chapter 31.

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed meeting on April 21, 2011.



Jean-Paul Samaha, Secretary

[LEASE WITH BAFC TEAM OPERATOR, LLC AND CEQA FINDINGS]

Resolution (i) making CEQA findings and confirming the San Francisco Planning Department's determination that no additional environmental impacts that were not previously identified would occur as a result of the proposed lease; and (ii) approving and authorizing the execution of a twenty-five (25) year lease agreement with four (4) consecutive five (5) year extension options between the Treasure Island Development Authority and BAFC TEAM OPERATOR, LLC for its training facilities on Treasure Island.

WHEREAS, The Treasure Island Development Authority (the "Authority") is responsible for the planning, redevelopment, reconstruction, rehabilitation, reuse and conversion of the lands formerly known as Naval Station Treasure Island on Treasure Island and Yerba Buena Island (collectively, the "Island") for the public interest, convenience, welfare and common benefit of the inhabitants of the City and County of San Francisco; and

WHEREAS, The Authority controls the real property consisting of approximately three hundred and seventy thousand (370,000) square feet of land currently bounded by Macky Lane (Avenue H) on the East, Golden Bell Way (5th Street) on the South, (9th Street) on the North, and the Job Corps site to the West / the Future Passiflora Way Extension on Treasure Island (the "Site"); and

WHEREAS, The Authority, together with the San Francisco Planning Department, are the Lead Agencies responsible for the implementation of the California Environmental Quality Act ("CEQA," Public Resources Code §21000 *et seq.*) for this area and have undertaken a planning and environmental review process for the development of the Base, including the

future Sports Park of the Treasure Island/Yerba Buena Island Project ("Project"), and provided for appropriate public hearings before the respective Commissions; and,

WHEREAS, On April 21, 2011, the Planning Commission by Motion No. 18325, and the Authority Board of Directors, by Resolution No. 11-14-04/21, as co-lead agencies, certified the completion of the 2011 Final Environmental Impact Report ("FEIR") under CEQA and the regulations implementing CEQA ("CEQA Guidelines", Cal. Code of Regs. Title 14. §§ 15,000 *et seq*.), for the Treasure Island/Yerba Buena Island Project ("Project"), and unanimously approved a series of entitlement and transactional documents, including certain environmental findings under CEQA and a Mitigation Monitoring and Reporting Program ("MMRP"), which is incorporated herein by reference; and,

WHEREAS, On June 7, 2011, in Motion No. M11-0092, the Board of Supervisors unanimously affirmed certification of the 2011 FEIR, and on that same date, the Board of Supervisors, in Resolution No. 246-11, adopted CEQA findings and the MMRP, and made certain environmental findings under CEQA; and,

WHEREAS, Bay Football Club is an American professional women's soccer team based in the San Francisco Bay Area that was founded in April 2023, operated by BAFC Team Operator, LLC (collectively, "Bay FC" or "Tenant"); and,

WHEREAS, Bay FC began play in 2024 in the National Women's Soccer League, the highest level of professional women's soccer in the United States; and,

WHEREAS, Bay FC currently has its training facilities at San Jose State University, and desires to construct a privately-funded, world-class, dedicated training facility for its

players with state-of-the-art features and amenities built specifically for professional women athletes; and,

WHEREAS, Bay FC, in coordination with the Authority, the Office of Economic and Workforce Development, and the Planning Department identified the Site as a suitable location for Bay FC's training facilities; and,

WHEREAS, in August 2024, Bay FC and the Authority entered into a Letter of Intent to negotiate and execute a lease agreement for the Site, and Authority staff presented the Letter of Intent to the Authority Board as an informational item at the Authority Board's October 9, 2024 meeting; and,

WHEREAS, The Authority seeks authorization to enter into a 25-year lease, with four (4) consecutive five (5)-year options to renew (the "Lease"), for the development and use of the Site for Bay FC's training facilities, including up to three new, standard professional sized football practice pitches, an approximately 20,000-25,000 square foot building up to 25 feet in height to house indoor and outdoor athletic training facilities and athletic staff offices, accessory surface parking, and other related improvements ("Bay FC Improvements"), and a copy of the Lease is on file with the Secretary of the Authority Board of Directors; and

WHEREAS, The Planning Department reviewed the proposed Lease; and has prepared a memorandum entitled Bay FC Training Facility on Treasure Island / 2007.0903E ("the 2024 Memorandum"), which is incorporated herein by reference; and,

WHEREAS, The Planning Department's memorandum concluded that the Lease as proposed is within the scope of the Project analyzed in the 2011 FEIR, and that there have not been any substantial changes in the Project, or to the circumstances under which the

Project would be undertaken, nor has new information come to light that would alter the analysis or conclusions of the 2011 EIR and require subsequent or supplemental environmental review under CEQA Section 21166 and CEQA Guidelines Section 15162; and,

WHEREAS, The 2011 FEIR, the 2024 Memorandum and other Project-related files have been made available for review by the Planning Department, the Authority Board of Directors and the public, and those files are part of the record before Authority; and,

WHEREAS, The Lease also allows Bay FC to use the Site for, among other things, hosting visiting teams for purposes such as co-training, scrimmaging and non-scheduled games, fan days, sponsor events, Bay FC team open houses, Bay FC team awards dinners, athletic tournaments, and private events, as well as community-facing activities, some of which may be revenue producing for Bay FC; and,

WHEREAS, The Authority retains an option to terminate the Lease if the Site is no longer used as the primary training facility for a women's professional soccer team of the National Women's Soccer League or its successors, assigns or other comparable body; and,

WHEREAS, The Lease provides Tenant an option to expand the Site to include a second phase of improvements ("Phase II Improvements") including up to three (3) additional athletic fields, subject to the terms and conditions of the Lease; and,

WHEREAS, The Authority and Tenant have negotiated the terms of a separate lease for a property adjacent to the Site for use as parking to support the permitted uses under the Lease, which terms are outlined in an exhibit to the Lease (the "Parking Lease Terms"); and,

WHEREAS, Under the Lease, Tenant will pay a minimum monthly base rent of $1.00 from the commencement of the Lease until the Occupancy Date, as defined in the Lease, and

$27,750.00 per month thereafter, with annual increases as set forth in the Lease, and Tenant is entitled to a rent credit for demolition of Building 258 currently located on the Site, subject to the terms and conditions of the Lease; now, therefore be it

RESOLVED, That the Authority Board of Directors has reviewed and considered the 2011 FEIR and the 2024 Memorandum; and be it

FURTHER RESOLVED, That the Authority Board of Directors confirms the San Francisco Planning Department's determination that no additional environmental impacts would occur as a result of the proposed Lease and no additional environmental analysis is required under CEQA at this time; and be it

FURTHER RESOLVED, That the Authority Board of Directors approves the Lease substantially in the form on file with the Secretary of the Board, including the Parking Lease Terms, and determines that the Lease is in the best interests of Authority, the City, and the health, safety, morals and welfare of its residents, and is in accordance with the public purposes and provisions of applicable federal, state and local laws and requirements; and be it

FURTHER RESOLVED, That the Authority Board of Directors authorizes the Treasure Island Director to forward the Lease and the Parking Lease Terms to the San Francisco Board of Supervisors for its consideration and approval; and be it

FURTHER RESOLVED, That following approval of the Lease and the Parking Lease Terms by the San Francisco Board of Supervisors, the Authority Board of Directors hereby authorizes the Treasure Island Director to (i) execute the Lease and a parking lease based on the Parking Lease Terms, and (ii) enter into any additions, amendments or other

modifications to the Lease and the Parking Lease Terms that the Treasure Island Director determines in consultation with the City Attorney, are in the best interests of the Authority, that do not materially increase the obligations or liabilities of the Authority, that do not materially reduce the rights of the Authority, and are necessary or advisable to complete the preparation and approval of the Lease and the parking lease, such determination to be conclusively evidenced by the execution and delivery by the Treasure Island Director of the documents and any amendments thereto.

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed meeting on November 13, 2024.

DocuSigned by:
Jeannette Howard
974540452282437

Jeannette Howard, Secretary

San Francisco Ethics Commission
25 Van Ness Avenue, Suite 220, San Francisco, CA 94102
Phone: 415.252.3100 . Fax: 415.252.3112
ethics.commission@sfgov.org . www.sfethics.org

Received On:

File #: 241139

Bid/RFP #:

Notification of Contract Approval

SFEC Form 126(f)4
(S.F. Campaign and Governmental Conduct Code § 1.126(f)4)
A Public Document

Each City elective officer who approves a contract that has a total anticipated or actual value of $100,000 or more must file this form with the Ethics Commission within five business days of approval by: (a) the City elective officer, (b) any board on which the City elective officer serves, or (c) the board of any state agency on which an appointee of the City elective officer serves. For more information, see: https://sfethics.org/compliance/city-officers/contract-approval-city-officers

1. FILING INFORMATION

TYPE OF FILING	DATE OF ORIGINAL FILING (*for amendment only*)
Original	
AMENDMENT DESCRIPTION – Explain reason for amendment	

2. CITY ELECTIVE OFFICE OR BOARD

OFFICE OR BOARD	NAME OF CITY ELECTIVE OFFICER
Board of Supervisors	Members

3. FILER'S CONTACT

NAME OF FILER'S CONTACT	TELEPHONE NUMBER
Angela Calvillo	415-554-5184
FULL DEPARTMENT NAME	**EMAIL**
Office of the Clerk of the Board	Board.of.Supervisors@sfgov.org

4. CONTRACTING DEPARTMENT CONTACT

NAME OF DEPARTMENTAL CONTACT	DEPARTMENT CONTACT TELEPHONE NUMBER
Leigh Lutenski	415 554-6679
FULL DEPARTMENT NAME	**DEPARTMENT CONTACT EMAIL**
ECN Office of Economic and Workforce Develo	leigh.lutenski@sfgov.org

5. CONTRACTOR	
NAME OF CONTRACTOR BAFC Team Operator, LLC	**TELEPHONE NUMBER** (833) 462-2932
STREET ADDRESS (including City, State and Zip Code) 609 Mission St., 6th Floor, San Francisco, CA 94105	**EMAIL** legal@bayfc.com

6. CONTRACT		
DATE CONTRACT WAS APPROVED BY THE CITY ELECTIVE OFFICER(S)	**ORIGINAL BID/RFP NUMBER**	**FILE NUMBER (*If applicable*)** 241139
DESCRIPTION OF AMOUNT OF CONTRACT Monthly Rent $27,750		
NATURE OF THE CONTRACT *(Please describe)* Authorizing the execution of a twenty-five (25) year lease agreement with four (4) consecutive five (5) year extension options between the TREASURE ISLAND DEVELOPMENT AUTHORITY and BAFC TEAM OPERATOR, LLC for its training facilities on approximately 8.49 acres of land on Treasure Island.		

7. COMMENTS

8. CONTRACT APPROVAL	
This contract was approved by:	
☐	**THE CITY ELECTIVE OFFICER(S) IDENTIFIED ON THIS FORM**
☒	**A BOARD ON WHICH THE CITY ELECTIVE OFFICER(S) SERVES** Board of Supervisors
☐	**THE BOARD OF A STATE AGENCY ON WHICH AN APPOINTEE OF THE CITY ELECTIVE OFFICER(S) IDENTIFIED ON THIS FORM SITS**

9. AFFILIATES AND SUBCONTRACTORS

List the names of (A) members of the contractor's board of directors; (B) the contractor's principal officers, including chief executive officer, chief financial officer, chief operating officer, or other persons with similar titles; (C) any individual or entity who has an ownership interest of 10 percent or more in the contractor; and (D) any subcontractor listed in the bid or contract.

#	LAST NAME/ENTITY/SUBCONTRACTOR	FIRST NAME	TYPE
1	BAFC Holdings, LLC		Shareholder
2	Stewart	Brady	Other Principal Officer
3	Jennifer	Millet	Other Principal Officer
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9. AFFILIATES AND SUBCONTRACTORS

List the names of (A) members of the contractor's board of directors; (B) the contractor's principal officers, including chief executive officer, chief financial officer, chief operating officer, or other persons with similar titles; (C) any individual or entity who has an ownership interest of 10 percent or more in the contractor; and (D) any subcontractor listed in the bid or contract.

#	LAST NAME/ENTITY/SUBCONTRACTOR	FIRST NAME	TYPE
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9. AFFILIATES AND SUBCONTRACTORS			
List the names of (A) members of the contractor's board of directors; (B) the contractor's principal officers, including chief executive officer, chief financial officer, chief operating officer, or other persons with similar titles; (C) any individual or entity who has an ownership interest of 10 percent or more in the contractor; and (D) any subcontractor listed in the bid or contract.			
#	**LAST NAME/ENTITY/SUBCONTRACTOR**	**FIRST NAME**	**TYPE**
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50			
☐	Check this box if you need to include additional names. Please submit a separate form with complete information. Select "Supplemental" for filing type.		

10. VERIFICATION	
I have used all reasonable diligence in preparing this statement. I have reviewed this statement and to the best of my knowledge the information I have provided here is true and complete. **I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.**	
SIGNATURE OF CITY ELECTIVE OFFICER OR BOARD SECRETARY OR CLERK BOS Clerk of the Board	**DATE SIGNED**

From:	Trejo, Sara (MYR)
To:	BOS Legislation, (BOS)
Cc:	Lutenski, Leigh (ECN); PARK, GRACE (CAT); Faust, Kate (ADM); Paulino, Tom (MYR); Tam, Madison (BOS); Carson, Grant (CON); Ma, Susan (ECN); Van Degna, Anna (CON); Katz, Bridget (CON); Rovetti, Richard (ADM); Benassini, Joey (ADM); Beck, Bob (ADM)
Subject:	Mayor -- Resolution -- BAFC TEAM OPERATOR, LLC Lease
Date:	Tuesday, November 19, 2024 2:59:35 PM
Attachments:	Bay FC Memorandum to File.pdf Bay FC-TIDA Lease BOS Resolution Introduced 2024-11-19.doc TREASURE ISLAND DEVELOPMENT AUTHORITY BAFC TEAM OPERATOR Ground Lease 2024.pdf

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Hello Clerks,

Attached is a Resolution (i) making CEQA findings and confirming the San Francisco Planning Department's determination that no additional environmental impacts that were not previously identified would occur as a result of the proposed lease; and (ii) approving and authorizing the execution of a twenty-five (25) year lease agreement with four (4) consecutive five (5) year extension options between the TREASURE ISLAND DEVELOPMENT AUTHORITY and BAFC TEAM OPERATOR, LLC for its training facilities on approximately 8.49 acres of land on Treasure Island.

Please note, Supervisor Dorsey is a cosponsor of this item.

Best regards,

Sara Trejo
Legislative Aide
Office of the Mayor
City and County of San Francisco