

EXHIBIT P

INITIAL STREET IMPROVEMENT, MARSHALLING YARD CONSTRUCTION, AND
PREDEVELOPMENT SCOPE OF WORK

Street and Marshalling Yard Improvements

Subject to the terms and conditions contained herein, Tenant will make certain street and marshalling yard improvements (“**Marshalling Yard Improvements**”) between the four warehouse facilities on the Central Market Site to provide an enhanced area for truck loading and unloading on the Premises.

Location

The location of these Marshalling Yard Improvements is shown in Attachment 1 to this Exhibit P. The area directly in front of 1900 Kirkwood Avenue (to the north of the current warehouse) will not be improved at this time.

Scope of Work

The scope of work of the Marshalling Yard Improvements, including demolition, paving, curb and gutter, striping, and sealant application, are to be performed in accordance with Attachment 2 to this Exhibit P.

City Permits

Until the street vacation of Jerrold Avenue is final and effective (Board of Supervisors Ordinance No. 163-12), some of the street and marshalling yard described above and shown in Attachment 1 remains public right-of-way under the jurisdiction of the City’s Department of Public Works (DPW). As such, Tenant is responsible for obtaining all necessary and appropriate permits from the City to complete the Marshalling Yard Improvements, if the Marshalling Yard Improvements are to proceed prior to full street vacation effectiveness.

Budget

In accordance with the conditions stated in Section 5.12 of the Lease, City will reimburse Tenant up to \$1,810,000 for the Marshalling Yard Improvements, which are expected to include the following components and estimated costs – a budget more fully described in Attachment 3 to this Exhibit P.

<u>Primary components of Marshalling Yard Improvements</u>	<u>Estimated cost (\$)</u>
Demolition	353,500
Base prep and Sealcoat	26,000
Paving	697,150
Concrete curbs and gutters	172,550
Parking bumper and pavement markings	117,650

Other (insurance, testing, overhead, etc.)	276,650
Market contingency	166,500
TOTAL	1,810,000

Unless additional City dollars are identified, any Marshalling Yard Improvements costs in excess of \$1,810,000 will be met by other Tenant project funding sources, including grants and private financing.

Predevelopment Work for 1900 Kirkwood Avenue

The City also intends to support the predevelopment and design work (“**Predevelopment Work**”) associated with a new distribution warehouse at 1900 Kirkwood Avenue, which is anticipated to be roughly 70,000 square feet in size and will house between two and five of Tenant’s subtenants.

Scope of Work

The scope of the Predevelopment Work will encompass the predevelopment and design work described in Attachment 4 (Description of Architectural Services) of this Exhibit P, and will prepare to implement the conceptual design for 1900 Kirkwood shown in Attachment 5 (Conceptual Design) of this Exhibit P.

Budget

In accordance with the conditions stated in Section 5.12 of the Lease, City will reimburse Tenant up to \$1,190,000 for the Predevelopment Work, which is expected to include the following components and estimated costs:

<u>Primary components of Predevelopment Work</u>	<u>Estimated cost (\$)</u>
Schematic design	75,600
Design development	453,700
Construction documents	667,000
Permit/bid	37,500
Construction administration	466,200
TOTAL	1,700,000
Total City contribution	1,190,000

Unless additional City dollars are identified, any Predevelopment Work costs in excess of \$1,190,000 will be met by other Tenant project funding sources, including grants and private financing.

Notwithstanding the foregoing, City will not reimburse Tenant more than a total of \$3,000,000 for the combined Marshalling Yard Improvements and Predevelopment Work pursuant to this Exhibit P. If the actual Marshalling Yard Improvements costs are less than \$1,810,000, Tenant may seek reimbursement of the remainder of the allocated Marshalling Yard Improvements costs

for the Predevelopment Work costs, but in no event will City's reimbursement to Tenant exceed a total of \$3,000,000, as described above.