

**APPENDIX D
TO THE TOWING AGREEMENT
BY AND BETWEEN
THE CITY AND COUNTY OF SAN FRANCISCO
AND
TEGSCO, LLC, d.b.a. SAN FRANCISCO AUTORETURN
Granting a Revocable License for the Use of Certain Property on Pier 70,
San Francisco, California**

TABLE OF CONTENTS

RECITALS.....	1
1. BASIC LICENSE INFORMATION.....	2
2. PREMISES.....	3
2.1 LICENSE PREMISES.	3
3. INSPECTION OF PROPERTY; AS IS CONDITION	4
3.1 INSPECTION OF PROPERTY.....	4
3.2 AS IS CONDITION.....	4
4 LICENSE TERM.....	5
5 FEE	5
5.1 BASE FEE.....	5
5.2 ADJUSTMENTS IN BASE FEE	5
5.3 INTENT.	5
5.4 LATE CHARGES.	6
5.5 DEFAULT INTEREST	6
5.6 DEDUCTION FROM AMOUNTS DUE	6
5.7 ABATEMENT OF BASE FEE.	6
6 USE OF PREMISES	7
6.1 PERMITTED USE.	7
6.2 USE OF EQUIPMENT AND MACHINERY.	8
6.3 LIMITATION TO DESCRIBED PURPOSE.....	8
6.4 NO UNLAWFUL USES, NUISANCES OR WASTE.....	8
6.5 SECURITY.....	8
6.6 MINERAL RESERVATION.	8
6.7 FINES.....	8
7 ALTERATIONS	9
7.1 LICENSEE’S ALTERATIONS	9
7.2 TITLE TO IMPROVEMENTS.....	10
7.3 LICENSEE’S PERSONAL PROPERTY.....	10
7.4 CITY’S ALTERATIONS OF THE BUILDINGS AND BUILDING SYSTEMS.....	10
7.5 REMOVAL OF ALTERATIONS.	10
7.5.1 <i>Notice of Removal</i>	10
7.5.2 <i>Removal of Non-Permitted Improvements</i>	10
7.5.3 <i>Alterations Not Subject to Removal</i>	10
8 REPAIRS AND MAINTENANCE	11
8.1 LICENSEE’S REPAIRS.....	11
8.1.1 <i>Removal of Refuse</i>	11
8.1.2 <i>Storm Water Pollution Prevention</i>	11
8.1.3 <i>Repair of Any Damage</i>	11

9	LIENS AND ENCUMBRANCES	12
9.1	LIENS.....	12
9.2	ENCUMBRANCES.....	12
10	UTILITIES AND SERVICES	12
10.1	UTILITIES AND SERVICES.....	12
10.2	UTILITY MAINTENANCE.	12
11	COMPLIANCE WITH LAWS AND RISK MANAGEMENT REQUIREMENTS	12
11.1	COMPLIANCE WITH LAWS.....	12
11.2	REGULATORY APPROVALS.....	13
11.2.1	<i>Responsible Party</i>	13
11.2.2	<i>City Acting as Owner of Real Property</i>	13
11.3	COMPLIANCE WITH CITY'S RISK MANAGEMENT REQUIREMENTS.....	13
12	SUBORDINATION	13
13	INABILITY TO PERFORM.....	14
14	DAMAGE AND DESTRUCTION	14
14.1	DAMAGE AND DESTRUCTION.....	14
14.2	CITY REPAIRS.....	14
14.3	DUTIES UPON TERMINATION	14
14.4	TERMINATION BY CITY.....	15
14.5	LICENSEE WAIVER.....	15
15	EMINENT DOMAIN	15
15.1	DEFINITIONS.	15
15.2	GENERAL.	15
15.3	TOTAL TAKING; AUTOMATIC TERMINATION.....	15
15.4	PARTIAL TAKING; ELECTION TO TERMINATE.....	15
15.5	LICENSE FEE: AWARD	16
15.6	PARTIAL TAKING: CONTINUATION OF LICENSE.....	16
15.7	TEMPORARY TAKINGS.....	16
16	ASSIGNMENT AND SUBLETTING.....	16
17	DEFAULT; REMEDIES	17
17.1	EVENTS OF DEFAULT.	17
17.2	CITY RIGHTS UPON DEFAULT	17
17.3	CITY'S RIGHT TO CURE LICENSEE'S DEFAULTS.....	18
18	WAIVER OF CLAIMS; INDEMNIFICATION	18
18.1	LIMITATION ON CITY'S LIABILITY: WAIVER OF CLAIMS.....	18
18.2	LICENSEE'S INDEMNITY.....	18
19	INSURANCE	19
19.1	LICENSEE'S INSURANCE.....	19
19.2	LICENSEE'S PERSONAL PROPERTY.....	19
19.3	CITY'S SELF INSURANCE.....	19
19.4	WAIVER OF SUBROGATION.....	19
20	ACCESS BY CITY	19
21	LICENSEE'S CERTIFICATES.....	20

22	PAVEMENT REPAIR STANDARDS AND MAINTENANCE REQUIREMENTS.....	20
22.1	MAINTENANCE OF PAVEMENT.....	20
22.2	PAVEMENT MAINTENANCE PLAN AND REPORTING	21
23	SURRENDER OF PREMISES	21
24	HAZARDOUS MATERIALS.....	22
24.1	DEFINITIONS.....	22
24.4.1	<i>Environmental Laws</i>	22
24.1.2	<i>Hazardous Material</i>	22
24.1.3	<i>Indemnify</i>	22
24.1.4	<i>Investigate and Remediate</i>	22
24.1.5	<i>Losses</i>	23
24.1.6	<i>Release</i>	23
24.2	NO HAZARDOUS MATERIALS.....	23
24.3	LICENSEE'S ENVIRONMENTAL INDEMNITY.....	23
24.4	COMPLIANCE WITH ENVIRONMENTAL LAWS.....	24
24.5	INFORMATION REQUESTS.....	24
24.6	DAMAGED VEHICLES.....	24
24.7	FIRE PREVENTION MEASURES.....	25
24.8	REQUIREMENT TO REMOVE.....	25
24.9	LICENSEE'S ENVIRONMENTAL CONDITION NOTIFICATION REQUIREMENTS.....	26
24.9.1	<i>Notification of Any Release or Discharge</i>	26
24.9.2	<i>Notification of Any Notice, Investigation, or Claim</i>	26
24.9.3	<i>Notification of Inspection</i>	26
24.10	ENVIRONMENTAL SECURITY DEPOSIT.....	26
24.11	ENVIRONMENTAL OVERSIGHT DEPOSIT.....	27
24.12	HAZARDOUS SUBSTANCE DISCLOSURE.....	27
25	GENERAL PROVISIONS.....	27
25.1	NOTICES.....	27
25.2	NO IMPLIED WAIVER.....	28
25.3	AMENDMENTS.....	28
25.4	AUTHORITY.....	28
25.5	PARTIES AND THEIR AGENTS; APPROVALS.....	28
25.6	INTERPRETATION OF LICENSE.....	28
25.7	SUCCESSORS AND ASSIGNS.....	29
25.8	SEVERABILITY.....	29
25.9	GOVERNING LAW.....	29
25.10	ENTIRE AGREEMENT.....	29
25.11	ATTORNEYS' FEES.....	29
25.12	HOLDING OVER.....	30
25.13	TIME OF ESSENCE.....	30
25.14	CUMULATIVE REMEDIES.....	30
25.15	PROVISIONS OF LICENSE SURVIVING TERMINATION.....	30
25.16	SIGNS.....	30
25.17	RELATIONSHIP OF THE PARTIES.....	30
25.18	LIGHT AND AIR.....	30
25.19	NO RECORDING.....	30
25.20	OPTIONS PERSONAL.....	30
25.21	PUBLIC TRANSIT INFORMATION.....	31
25.22	TAXES, ASSESSMENTS, LICENSES, PERMIT FEES AND LIENS.....	31
25.23	WAGES AND WORKING CONDITIONS.....	31

25.24	NON-DISCRIMINATION IN CITY CONTRACTS AND BENEFITS ORDINANCE.....	31
25.24.1	<i>Covenant Not to Discriminate.....</i>	31
25.24.2	<i>Subcontracts.....</i>	31
25.24.3	<i>Non-Discrimination in Benefits.....</i>	32
25.24.4	<i>HRC Form.....</i>	32
25.24.5	<i>Incorporation of Administrative Code Provisions by Reference.....</i>	32
25.25	NON-LIABILITY OF CITY OFFICIALS, EMPLOYEES AND AGENTS.....	32
25.26	NO RELOCATION ASSISTANCE: WAIVER OF CLAIMS.....	32
25.27	MACBRIDE PRINCIPLES - NORTHERN IRELAND.....	32
25.28	TROPICAL HARDWOOD AND VIRGIN REDWOOD BAN.....	32
25.29	PESTICIDE PROHIBITION.....	33
25.30	FIRST SOURCE HIRING ORDINANCE.....	33
25.31	SUNSHINE ORDINANCE.....	33
25.32	CONFLICTS OF INTEREST.....	33
25.33	CHARTER PROVISIONS.....	33
25.34	PROHIBITION OF TOBACCO ADVERTISING.....	33
25.35	REQUIRING HEALTH BENEFITS FOR COVERED EMPLOYEES.....	34
25.36	NOTIFICATION OF LIMITATIONS ON CONTRIBUTIONS.....	35
25.37	PRESERVATIVE-TREATED WOOD CONTAINING ARSENIC.....	35
25.38	REFERENCES.....	35
25.39	COUNTERPARTS.....	35
LIST OF ATTACHMENTS	38

APPENDIX D
TO THE TOWING AGREEMENT
BY AND BETWEEN
THE CITY AND COUNTY OF SAN FRANCISCO
AND
TEGSCO, LLC, d.b.a. SAN FRANCISCO AUTORETURN

**Granting a Revocable License for the Use of Certain Property on Pier
70, San Francisco, California**

THIS REVOCABLE LICENSE TO ENTER AND USE PROPERTY ("License"), between the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation, acting by and through its Municipal Transportation Agency, Department of Parking and Traffic ("City" "DPT" or "Licensor"), and TEGSCO, LLC, a California limited liability company, d.b.a. San Francisco AutoReturn ("Licensee") is Appendix D to the Service Agreement and Property Use License for Towing, Storage and Disposal of Abandoned and Illegally Parked Vehicles between City and Licensee, (hereinafter "Towing Agreement"), which is incorporated herein by reference as if fully set forth herein. Any capitalized term not defined herein shall have the meaning set forth in the Towing Agreement and the Memorandum of Understanding No. M-13828 between DPT and the San Francisco Port Commission (the "Port"), a copy of which is attached as Appendix C of the Towing Agreement ("MOU"), and which is incorporated by reference as though fully set forth herein. Consent to this License by the Executive Director of the Port of San Francisco is attached hereto as Attachment 3.

RECITALS

This agreement is made with reference to the following facts:

- A. City and Licensee are parties to the Towing Agreement for the towing and storage of abandoned and illegally parked vehicles.
- B. As part of the Towing Agreement, City wishes to authorize Licensee to use certain portions of Seawall Lot 349, located at Pier 70 ("the Property"), all as shown on Attachment 1 (the "Premises"), to provide long term storage for vehicles towed pursuant to the Towing Agreement and related office uses.

Therefore, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

AGREEMENT

1. BASIC LICENSE INFORMATION

The following is a summary of Basic License information (the "Basic License Information"). Each item below shall be deemed to incorporate all of the terms in this License pertaining to such item. In the event of any conflict between the information in this Section and any more specific provision of this License, the more specific provision shall control.

- Licensor:** CITY AND COUNTY OF SAN FRANCISCO, A MUNICIPAL CORPORATION
- Licensee:** TEGSCO, LLC, d.b.a. SAN FRANCISCO AUTORETURN, A CALIFORNIA LIMITED LIABILITY COMPANY
- Buildings (Section 2.1):** Building 12, Building 15, Building 16, Building 31 and Building 32, all located at Seawall Lot 349, Pier 70, San Francisco, California (collectively, the "Buildings").
- Premises (Section 2.1):** Certain portions of Seawall Lot 349, located at Pier 70, all as shown on Attachment 1
- Term (Section 4):** Commencement Date: the Effective Date as defined in Section 1 of the Towing Agreement.

Expiration Date: Five (5) years from the Effective Date as defined in the Towing Agreement, but no later than March 1, 2012, including any extension periods as defined in Section 4.2 herein.
- Base Fee (Section 5):** Monthly License Fee: \$118,830.00 for Parcel A and \$2,850 for Parcel B, both as shown on Attachment 1.
- Permitted Use (Section 6.1):** Parking space for the storage and transfer of vehicles, public lien sale auctions and office space for the administration of Licensee's operations under the Towing Agreement.
- Utilities and Services (Section 10):** Provided and paid by Licensee.
- Security (Section 6.5):** Licensee shall be solely responsible for the security of the Premises.
- Security Deposit (Section 24.10):** Security Deposit shall be maintained in accordance with the terms of Section 12 [Financial Assurances] of the Towing Agreement.
- Notices to the Parties: (Section 25.1)** Any notice, demand, consent or approval required under Sections 4 (Term) , 5 (Fee), 6.1 (Permitted Use), 6.7 (Fines), 7.5 (Removal of Alterations), 11.2.1 (Regulatory Approvals-Responsible Party), 14 (Damage and Destruction), 16 (Assignment and Subletting), 17 (Default; Remedies), 18

(Waiver of Claims; Indemnification), 19 (Insurance), 23 (Surrender of Premises), or 24 (Hazardous Materials) of this License must be sent by first class certified U.S. mail with return receipt requested, or by overnight courier, return receipt requested, with postage pre-paid. All other written communications, unless otherwise indicated elsewhere in this License, may be by first class U.S. mail, by email, or by fax. All communications related to this License shall be addressed as follows:

To Licensee:

San Francisco AutoReturn
Attention: John Wicker
450 7th Street
San Francisco, CA 94103
Phone No.: (415) 626-3380
Fax No.: (415) 626-3381
Email: jwicker@autoreturn.com

To City:

City and County of San Francisco
Department of Parking and Traffic
Attention: Steve Bell
25 Van Ness Avenue, Suite 230
San Francisco, CA 94102
telephone: 415-554-9825
facsimile: 415-252-3272
Email: steve.bell@sfgov.org

and to:

Director of Real Estate
Port of San Francisco
Pier 1
San Francisco, CA 94111
telephone: (415) 274-0510
facsimile: (415) 274-0578

2. PREMISES

2.1 License Premises.

2.1.1 City confers to Licensee a revocable, personal, non-exclusive and non-possessory privilege to enter upon and use those certain premises identified in the Basic License Information and shown on Attachment 1, attached hereto and incorporated by reference as though fully set forth herein (collectively, the "Premises"), for the limited purpose and subject to the terms, conditions and restrictions set forth below. This License gives Licensee a license only, revocable at any time at the will of City, and notwithstanding anything to the contrary herein, this License does not constitute a grant by City of any ownership, leasehold, easement or other property interest or estate whatsoever in the Premises, or any portion thereof. The privilege given to Licensee under this License is effective only insofar as the rights of City in the Premises are concerned, and Licensee shall obtain any further permission necessary because of any other existing rights affecting the Premises. The area of the Premises specified in the Basic License Information shall be conclusive for all purposes hereof. The Premises, land upon which the Premises is located and all other improvements on and appurtenances to such land are referred to collectively as the "Property."

2.1.2 City may, at City's sole and absolute discretion, relocate Licensee from any portion or all of the Premises to another location on City property that City in its sole and absolute discretion deems suitable for the uses permitted hereunder; provided that such relocation shall not materially interfere with Licensee's ability to meet its obligations under the Towing Agreement. In the event of any such relocation, the new location shall become part or all of the Premises hereunder.

2.1.3 City may, at City's sole and absolute discretion, modify the original configuration of the Pier 70 Premises; provided that such modification shall not materially interfere with Licensee's ability to meet its obligations under the Towing Agreement, unless such modification is required under the MOU.

2.1.4 Licensee acknowledges that the interest of DPT in the Premises is limited to those rights conveyed to DPT by the MOU. Licensee hereby agrees to assume all responsibility for and be bound by all covenants, terms and conditions of DPT and Licensee defined in the MOU, except for the obligations of DPT set forth in Section 2 of the MOU. In the event there are any inconsistencies between the provisions of this License and the MOU, the provisions of the MOU shall govern the parties' rights hereunder.

2.1.5 Previous investigations have revealed the possible presence of contamination in (1) the south east corner of the Property which is believed to have originated from historical sources not associated with towing operations; and (2) the vicinity of the former crushing area used by Pick Your Part. The City and the Pacific Gas and Electric Company and the City and Pick Your Part, respectively, are cooperating to investigate environmental conditions in these areas. In order to continue such investigations, comply with orders and directives from regulatory agencies and otherwise comply with law, the City reserves for itself and its designees, the right to enter the Property and any portion thereof at all reasonable times upon reasonable advance oral or written notice to Licensee (except in the event of an emergency) for the following purposes: (a) to conduct inspections or inventories; (b) to install, inspect, sample, monitor, close and abandon permanent or temporary groundwater wells; (c) to obtain environmental samples from all media, from both on and offshore areas; (d) to conduct utility clearances; and (e) to conduct cleanup activities. City shall use its reasonable good faith efforts to conduct any activities on the Premises allowed under this Section in a manner that, to the extent practicable, will minimize any disruption to Licensee's use hereunder. Licensee will cooperate with City by complying with reasonable requests to temporarily relocate cars and other operations to accommodate the City. City shall not be liable in any manner, and Licensee hereby waives any claims, for any inconvenience, disturbance, loss of business, nuisance or other damage arising out of City's or its designees' entry onto the Property, except damage resulting directly and exclusively from the gross negligence or willful misconduct of City or its designees and not contributed to by the acts, omissions or negligence of Licensee or Licensee's Invitees. Licensee shall not be entitled to any abatement in the Base Fee if City exercises any rights reserved in this Section unless property is removed from usage for more than thirty (30) days or in excess of 250 square feet.

3. INSPECTION OF PROPERTY; AS IS CONDITION

3.1 Inspection of Property. Licensee represents and warrants that Licensee has conducted a thorough and diligent inspection and investigation of the Property and the suitability of the Property for Licensee's intended use, either independently or through its officers, directors, employees, agents, affiliates, subsidiaries licensees and contractors, and their respective heirs, legal representatives, successors and assigns, and each of them. Licensee is fully aware of the needs of its operations and has determined, based solely on its own investigation, that the Property is suitable for its operations and intended uses.

3.2 As Is Condition. WITHOUT WAIVING ANY OF LICENSEE'S RIGHTS ESTABLISHED IN SECTION 24.3 AND 24.8 BELOW, LICENSEE ACKNOWLEDGES AND

AGREES THAT THE PREMISES ARE BEING LICENSED AND ACCEPTED IN THEIR "AS IS" AND "WITH ALL FAULTS" CONDITION, WITHOUT REPRESENTATION OR WARRANTY OF ANY KIND, AND SUBJECT TO ALL APPLICABLE LAWS, RULES AND ORDINANCES GOVERNING THEIR USE, OCCUPANCY AND POSSESSION. LICENSEE ACKNOWLEDGES AND AGREES THAT NEITHER CITY NOR ANY OF ITS AGENTS HAVE MADE, AND CITY HEREBY DISCLAIMS, ANY REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, CONCERNING THE RENTABLE AREA OF THE PREMISES, THE PHYSICAL, SEISMOLOGICAL OR ENVIRONMENTAL CONDITION OF THE PREMISES OR THE PROPERTY, THE PRESENT OR FUTURE SUITABILITY OF THE PREMISES FOR LICENSEE'S BUSINESS, OR ANY OTHER MATTER WHATSOEVER RELATING TO THE PREMISES, INCLUDING, WITHOUT LIMITATION, AND IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

4. LICENSE TERM

4.1 Original Term. The privilege given to Licensee pursuant to this License is temporary only and shall commence upon the Effective Date of the Towing Agreement, as defined in Section 1 of the Towing Agreement, and described in the Basic License Information as the Commencement Date (the "Commencement Date"). The initial term of this License shall run from the Commencement Date through the date that is five (5) years from the Commencement Date, or the date of earlier termination of this License pursuant to the terms of this License or the Towing Agreement, whichever date is earlier (the "Expiration Date"). Without limiting any of its rights hereunder, City may at its sole option freely revoke this License at any time, without cause and without any obligation to pay any consideration to Licensee. City shall deliver the Premises to Licensee on the Commencement Date in their then-existing as-is condition as further provided above, with no alterations being made by City. Promptly following execution of this License, Licensee shall deliver to City a notice substantially in the form of Attachment 2, but Licensee's failure to do so shall not affect the commencement of the Term.

4.2 Extension Period. The Term of this License may be extended in accordance with MOU Section 4. The definition "Term" shall refer to the total time period during which this License exists as a legally binding agreement between the parties, including all month-to-month extensions.

5. FEE

5.1 Base Fee. Throughout the Term commencing on the first day of the Term, Licensee shall pay to City the annual Base Fee specified in the Basic License Information (the "Base Fee"). Licensee shall pay the Base Fee to City monthly, in advance, on or before the first of the month for which the fee is due, without prior demand and without any deduction, setoff or counterclaim whatsoever, except as such deduction or setoff is specifically provided for in Section 5.7 [Abatement of Base Fee and Base Fee Credits]. The Base Fee shall be paid by company check to the City and County of San Francisco in care of the Director of DPT at the primary address for City specified in the Towing Agreement, or such other place as City may designate in writing. If the first day of the Term occurs on a day other than the first day of a calendar month, then the Base Fee for such fractional month shall be prorated based on a thirty (30) day month.

5.2 Adjustments in Base Fee. The Base Fee shall be adjusted as provided in Section 5 of the MOU.

5.3 Intent. Licensee acknowledges and agrees that the intent and purpose of this Section 5 is to provide that Licensee shall be responsible for all costs that City may incur in licensing the Property, and any increases thereto.

5.4 Late Charges. If Licensee fails to pay any fee or any portion of fee within five (5) days following the due date, such unpaid amount shall be subject to a late payment charge equal to six percent (6%) of the unpaid amount in each instance. The late payment charge has been agreed upon by City and Licensee, after negotiation, as a reasonable estimate of the additional administrative costs and detriment that City will incur as a result of any such failure by Licensee, the actual costs thereof being extremely difficult if not impossible to determine. The late payment charge constitutes liquidated damages to compensate City for its damages resulting from such failure to pay and shall be paid to City together with such unpaid amount.

5.5 Default Interest. Any fee, if not paid within five (5) days following the due date, shall bear interest from the due date until paid at the rate of ten percent (10%) per year or, if a higher rate is legally permissible, at the highest rate an individual is permitted to charge under law. However, interest shall not be payable on late charges incurred by Licensee nor on any amounts on which late charges are paid by Licensee to the extent this interest would cause the total interest to be in excess of that which an individual is lawfully permitted to charge. Payment of interest shall not excuse or cure any default by Licensee.

5.6 Deduction From Amounts Due. In the event Licensee fails to pay any fee due hereunder for more than ten (10) days following the due date, City may deduct and withhold the amount of such fee, together with the amount of applicable late charges and default interest as provided herein, from any monies in City's possession due Licensee pursuant to the Towing Agreement.

5.7 Abatement of Base Fee and Base Fee Credits. During the Term, and subject to City's prior written approval which shall not be unreasonably withheld, City shall grant abatement of the Base Fee or allow Licensee a credit that may offset from the Base Fee under the circumstances listed in this Section 5.7. All Base Fee abatements and credits available to Licensee shall be applied against the Base Fee payment obligation during the Term at a rate not greater than one half ($\frac{1}{2}$) of the applicable month Base Rent payment and shall be applied if and only if Licensee is in good standing and is not in default of any of the terms of this License. In the event that the total of Base Fee abatements or credits available to Licensee pursuant to this Section 5.7 exceeds an amount equal to one half ($\frac{1}{2}$) of the Base Fee payment for any one calendar month, the remaining available Base Fee credit shall be carried forward to successive calendar months at a rate not to exceed one half ($\frac{1}{2}$) of the applicable Base Fee payment, until all available Base Fee credits have been fully applied. In no event, however, shall Licensee be entitled to the application of any Base Fee credits or the value thereof beyond the expiration or earlier termination of this License.

5.7.1 If the Premises ceases to be used for towing operations at any time due to damage sustained during the Term by fire, earthquake, or other casualty rendering the Premises unsuitable for occupancy as determined by the Director of Building Inspection pursuant to the San Francisco Building Code, or are otherwise deemed legally not useable for any reason, Licensee shall be entitled to an abatement in Base Fee to the same extent that DPT receives a Rent abatement pursuant to Section 5(d)(1) of the MOU.

5.7.2 Licensee shall be entitled to an abatement in the Base Fee if the City's exercise of any rights reserved in the MOU result in Licensee's loss of use of the Premises for more than thirty (30) days or in an area greater than 250 square feet, or if Licensee surrenders the possession of Parcel B to the Port for the sole reason that it is unable to obtain a BCDC permit for use of Parcel B consistent with the MOU; provided, however, that if Licensee fails to satisfy the condition of obtaining BCDC approval for use of Parcel B, and surrenders possession of Parcel B to the Port, Licensee shall install and maintain Port approved fencing along the adjusted perimeter of the Premises. The opening of 22nd Street by the Port for non-exclusive, general circulation through the Pier 70 area may occur at the City's sole option without Base Fee abatement.

5.7.3 In the event City requires the modification of the original configuration of the Premises, any reasonable and actual costs incurred by Licensee to relocate the Premises, fences, gates, lights, driveways and other improvements in order to comply with such requirement may be offset from the Base Fee, except for such costs incurred with respect to the opening of 22nd Street by the Port for non-exclusive, general circulation through the Pier 70 area; however in such event Port shall be responsible for the cost of any fencing that Port requires along the extended 22nd Street corridor. The parties agree that any such costs incurred to modify the original configuration of the Premises due to a surrender of possession of Parcel B to the Port due to Licensee's inability to obtain a BCDC permit for use of Parcel B consistent with the MOU may not be offset from the Base Fee.

5.7.4 At any time during the Term of this Agreement, City may elect to fund certain property maintenance, construction, improvements, systems development or staffing related to City towing and impoundment operations that are not the responsibility of Contractor under this Agreement ("Projects"). City may require Contractor, upon ninety (90) day's written notice, to implement any such Project. In consideration for implementation of the Project by Contractor, City shall issue an appropriate Base Fee credit in the amount of the reasonable actual costs of the Project. No Project may be implemented without the prior written approval of the City, and all Project implementation must be in accordance with the scope, specifications, maximum costs and all other requirements provided in writing by City. Contractor shall be responsible for obtaining all required permits, governmental approvals and insurance for any Project, the reasonable actual costs of which shall be included in the Base Fee credit. After the completion of the Project, Contractor must deliver to City an itemized statement of the actual costs of the Project, accompanied by documentation substantiating all said expenditures. Such documentation of expenditures shall include: (i) copies of executed contracts; (ii) copies of invoices for labor, services and/or materials, copies of bills of lading, and/or copies of other bills or receipts for goods, materials and/or services; (iii) copies of canceled checks, and (iv) such other proofs of expenditure as may be reasonably requested by City. Such appropriate proofs of expenditure may include copies of canceled checks; copies of contracts or invoices for labor, services and/or materials marked "Paid", or otherwise evidenced as having been paid bills of lading marked "Paid"; other bills, contracts, receipts for goods materials and/or services marked "Paid" and such other proofs of expenditure as may be reasonably approved by City. All such proofs of expenditure must be directly attributable to the approved Project and may include materials purchased by City for installation by City but not the City's cost if it undertakes such installation. Any construction of the fencing required in the event that the Port elects to implement the extension of 22nd Street shall be governed by this Section and Section 5(d)(4) of the MOU.

6. USE OF PREMISES

6.1 Permitted Use. Licensee shall use and continuously occupy the Premises during the Term solely for temporary storage and transfer of vehicles, public lien sale auctions and related office use as necessary to meet its obligations under the Towing Agreement and for such other uses, if any, as may be specified in the Basic License Information. Licensee shall not use the Premises for any other purpose without the prior written approval of City in accordance with Section 7 of the MOU, including, without limitation, the following: (a) crushing or dismantling; (b) maintenance, fueling or washing of vehicles; (c) selling vehicle parts from the Premises, (d) parking or storage of vehicles not covered under the Towing Agreement; or (e) parking for Licensee's employees, without the prior written approval of City and subject to availability of space necessary to fully perform Licensee's obligations under the Towing Agreement. City hereby approves the use of thirty (30) parking spaces for the use of Licensee's employees, subcontractors and vendors on the Premises. All available space for vehicle parking shall be used for the purposes set forth in the Towing Agreement. The maintenance, fueling or washing of vehicles may only be permitted after the Port Executive Director and DPT approve the Operations Plan described in MOU Section 14(k) and Towing Agreement Appendix A Section 14, in writing, and the selling of vehicle parts from the Premises may only be permitted after DPT approves the Operations Plan, in writing. Once approved as provided herein, such approval of Operations Plan elements listed in Appendix B as "Pier 70 Premises Management Elements" may not be revoked except as part of a regular

modification of the Operations Plan under the Towing Agreement. Licensee, its employees, subcontractors and vendors shall use 20th Street and or 22nd Street for access and egress to and from the Premises. No advertising or signage may be placed in or about the Premises without the prior written permission of the Port and subject to any written Port sign guidelines.

6.2 Use of Equipment and Machinery. Licensee shall have the right to place on the Premises all necessary equipment and machinery in connection with the permitted use of the Premises. It is understood and agreed that City is not responsible for loss of or damage to any Licensee-owned equipment herein involved, unless caused by the sole negligence of City's officers, agents, and employees.

6.3 Limitation to Described Purpose. Licensee may occupy and use the Property solely for the purpose of fulfilling its obligations under the Towing Agreement to store and auction any vehicles towed pursuant to the terms of the Towing Agreement, and for incidental purposes related thereto. The buildings identified as Buildings 12, 15, 16, 31 and 32 on Attachment 1 may only be used to store vehicles and may not be used as office space. No occupancy of the loft area of Building 12 will be allowed unless San Francisco Building and Fire Code requirements are met. Adequate drop-off space must be provided so that tow and transport trucks can load and unload on the Property. No loading, unloading, queuing, parking or storage of vehicles will be permitted on any adjacent Port property, public streets or rights-of-way. All storage activities authorized by this License shall be restricted to the designated enclosed and visually screened area. Any use of the Premises by Licensee shall be subject to the requirements of the Operations Plan adopted pursuant to MOU Section 14(k) and Towing Agreement Appendix A, Section 14.

6.4 No Unlawful Uses, Nuisances or Waste. Without limiting the foregoing, Licensee shall not use, occupy or permit the use or occupancy of any of the Premises 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. Licensee shall take all precautions to eliminate any nuisances or hazards relating to its activities on or about the Premises. Licensee shall not conduct any business, place any sales display, or advertise in any manner in areas outside the Premises or on or about the Property without the prior written permission of City.

6.5 Security. Licensee shall at all times provide security at a level acceptable to the City to protect the Property and all vehicles stored therein, and the persons and property of owners of towed vehicles, against damage, injury, theft or other loss.

6.6 Mineral Reservation. Licensee acknowledges that the State of California, pursuant to Section 2 of Chapter 1333 of the Statutes of 1968, as amended has reserved all subsurface mineral deposits, including oil and gas deposits, on or underlying the Property. In accordance with the provisions of said statute, Port and Licensee shall and hereby do grant to the State of California the right to explore, drill for and extract said subsurface minerals, including oil and gas deposits, from an area located by the California Grid System, Zone 3, beginning at a point where X equal 1,456,113 and Y equals 463,597, extending 1,000 feet south, thence 1,000 feet east, thence 1,000 feet north, and thence 1,000 feet west, ending at said point of beginning.

6.7 Fines. Without limiting City's other rights and remedies set forth in this License, if Licensee violates any of the following provisions governing its use of the Premises contained in this License or the Towing Agreement, DPT may impose a fine of \$300 per day during which Licensee is in violation of any of the specified provisions: License sections 2, 6, 7, 8, 11, 19, 22, 24; Towing Agreement section 12.2. DPT may also impose this fine for Licensee's failure to submit any report as and when required by any provision of this License.

The fines described in this Section 6.7 shall run from the date of City's notice to Licensee of the violation and shall continue until the violation is cured. All such accrued fines under this Section shall be payable to City monthly in arrears at the same time, place and manner as the Base Fee is payable unless otherwise specified herein. City shall have the same remedies for a default in the payment of any such amounts as for a default in the payment of Base Fee.

If DPT notifies Licensee of the imposition of a fine under this Section based upon a notice of violation that was initiated by the Port and communicated to DPT, Licensee may appeal such fine to the Port Director within fourteen (14) days of the notice with evidence supporting Licensee's claim for relief from the fine imposed. The Port Director will respond within fourteen (14) days. Any failure of the Port Director to respond within the fourteen (14) day period shall be deemed a rejection of Licensee's claim for relief from the fines imposed. If DPT initiates notice of a fine under this Section, Licensee may appeal such fine to the Director of DPT within fourteen (14) days of the notice with evidence supporting Licensee's claim for relief from the fine imposed. The Director of DPT will respond within fourteen (14) days. Any failure of the Director of DPT to respond within the fourteen (14) day period shall be deemed a rejection of Licensee's claim for relief from the fines imposed. The provisions of Section 46 of the Towing Agreement shall not apply to fines imposed under this Section.

City's right to impose the foregoing fines shall be in addition to and not in lieu of any and all other rights under this License or at law or in equity; provided, however, that City agrees that once it has declared an "Event of Default" pursuant to Section 17 of this License, it will no longer impose any new fines with respect to such default. City shall have no obligation to Licensee to impose fines on or otherwise take action against any other person.

7. ALTERATIONS

7.1 Licensee's Alterations. Licensee shall not make, nor cause or suffer to be made, any alterations (including demolition or removal), installations, additions or improvements to the Property, including but not limited to the installation of any appurtenances or trade fixtures affixed to the Property, constructed by or on behalf of Licensee pursuant to the Towing Agreement, or any trailers, signs, roads, trails, driveways, parking areas, curbs, walks fences walls, stairs, poles, plantings or landscaping, (collectively, "Alterations") without first obtaining DPT's written approval and then obtaining a permit therefor from the San Francisco Port Commission's Engineering Department, with respect to the Property, and any other permits or approvals as the Chief Harbor Engineer of the San Francisco Port Commission deems necessary, with respect to the Property; and any required approvals of regulatory agencies having jurisdiction over the Property. All Alterations shall be done at Licensee's expense in accordance with plans and specifications approved by City, only by duly licensed and bonded contractors or mechanics approved by City, and subject to any conditions that City may reasonably impose. City may require Licensee, at Licensee's expense, to obtain the prior written approval of City's Arts Commission with respect to any Alterations, to the extent the Arts Commission has jurisdiction over the design of such proposed alterations under City's Charter Section 5.103. Licensee shall pay to Port any applicable permit fees for such Alterations in accordance with standard permit fees generally charged to Port tenants, as adopted by the Port Commission. All Alterations shall be subject to the following conditions:

7.1.1 All Alterations shall be constructed in a good and workmanlike manner and in compliance with all applicable building, zoning and other laws, and in compliance with the terms of and the conditions imposed in any regulatory approval;

7.1.2 All Alterations shall be performed with reasonable dispatch, delays beyond the reasonable control of Licensee excepted; and

7.1.3 At the completion of the construction of the Alterations, Licensee shall furnish one (1) set of "as-built" drawings of the same made on or to the Premises. Unless otherwise stated as a

condition of the regulatory approval, this requirement may be fulfilled by the submittal after completion of the Alterations of a hand-corrected copy of the approved permit drawing(s).

7.2 Title to Improvements. Except for Licensee's Personal Property (as described in Section 7.3), or as may be specifically provided to the contrary in approved plans, all Alterations, equipment, or other property attached or affixed to or installed in the Premises at the Commencement Date or, by Licensee with the advance approval of City during the Term, shall, at City's sole discretion, remain City's property without compensation to Licensee or be removed at the termination of this License. Licensee may not remove any such property at any time during or after the Term unless City so requests pursuant to Section 23 [Surrender of Premises], below.

7.3 Licensee's Personal Property. All furniture, trade fixtures, office equipment and articles of movable personal property installed in the Premises by or for the account of Licensee, without expense to City, and that can be removed without structural or other damage to the Premises (collectively, "Licensee's Personal Property") shall be and remain Licensee's property. Licensee may remove its Personal Property at any time during the Term, subject to the provisions of Section 23 [Surrender of Premises], below. Licensee shall pay any taxes or other impositions levied or assessed upon Licensee's Personal Property, at least ten (10) days prior to delinquency, and shall deliver satisfactory evidence of such payment to City upon request.

7.4 City's Alterations of the Buildings and Building Systems. City reserves the right at any time to make alterations, additions, repairs, deletions or improvements to the common areas or any other part of the Buildings or the Building Systems, provided that any such alterations or additions shall not materially adversely affect the functional utilization of the Premises for the Permitted Use set forth in Section 6.1 [Permitted Use].

7.5 Removal of Alterations. At City's election made in accordance with this Section 7.5, Licensee shall be obligated at its own expense to remove and relocate or demolish and remove (as Licensee may choose) any or all Alterations which Licensee has made to the Premises, including without limitation all telephone wiring and equipment installed by Licensee. Licensee shall repair, at its own expense, in good workmanlike fashion any damage occasioned thereby.

7.5.1 Notice of Removal. Prior to the termination of the Towing Agreement, City shall give written notice to Licensee specifying the Alterations or portions thereof which Licensee shall be required to remove and relocate or demolish and remove from the Premises, in accordance with this Section 7.5 (herein "Notice of Removal"). If termination is the result of loss or destruction of the Premises or any improvements thereon, City shall deliver said Notice of Removal to Licensee within a reasonable time after the loss or destruction. If Licensee fails to complete such demolition or removal on or before the termination of the Towing Agreement, City may perform such removal or demolition at Licensee's expense, and Licensee shall reimburse Port upon demand therefor.

7.5.2 Removal of Non-Permitted Improvements. If Licensee constructs any Alterations to the Premises without City's prior written consent or without complying with this Section 7, then, in addition to any other remedy available to City, City may require Licensee to remove, at Licensee's expense, any or all such Alterations and to repair, at Licensee's expense and in good workmanlike fashion, any damage occasioned thereby. Licensee shall pay to City all special inspection fees as set forth in the San Francisco Building Code for inspection of work performed without required permits.

7.5.3 Alterations Not Subject to Removal. In conjunction with a request to make an Alteration under section 7.1, Licensee may submit a request for a City determination of the whether a proposed Alteration would or would not be required to be removed upon expiration or termination of this License. Such request for determination shall be submitted to DPT and to the Executive Director of the

Port. The Executive Director of the Port shall have sixty (60) days to review the notice and to respond to Licensee with a determination of whether the proposed Alteration would or would not be required to be removed upon termination of this License. If the Executive Director of the Port fails to respond within sixty (60) days, then the proposed Alterations shall be removed or left on the Premises in accordance with all other provisions of this License governing Alterations. The failure of the Executive Director of the Port to respond to such request shall mean that such Alteration is subject to all other provisions of this Section 7.5. This Section 7.5.3 shall not apply to Alterations that are required by any regulatory authority to conform the Premises or any building thereon to a requirement of statute, ordinance or regulation.

8. REPAIRS AND MAINTENANCE

8.1 Licensee's Repairs. Licensee shall maintain, at its sole expense, the Premises in good repair and working order and in a clean, secure, safe and sanitary condition. Licensee shall promptly make all repairs and replacements: (a) at its sole expense, (b) by licensed contractors or qualified mechanics approved by City, (c) so that the same shall be at least equal in quality, value and utility to the original work or installation, (d) in a manner and using equipment and materials that will not interfere with or impair the use or occupation of the Premises, and (e) in accordance with all applicable laws, rules and regulations. Licensee hereby waives all rights to make repairs at City's expense under Sections 1941 and 1942 of the California Civil Code or under any similar law, statute or ordinance now or hereafter in effect.

8.1.1 Removal of Refuse. All refuse, including tires, non-salvageable vehicle parts and litter, shall be removed from the Property on a regular basis by an authorized refuse collection company. All trash areas shall be effectively screened from view and maintained in orderly manner. All trash and refuse containers shall be maintained in approved enclosures.

8.1.2 Storm Water Pollution Prevention. Licensee agrees to effect mechanisms to control stormwater pollution at the Premises to the reasonable satisfaction of Port's Manager of Environmental Health and Safety, which mechanism may include (by way of example and not limitation) good housekeeping and materials management practices, preventing run-on and run-off from materials storage areas, maintenance areas, or areas where contaminants may be present, installation and maintenance of catchments or absorbent pads in stormwater drains located at or servicing the Premises, or other pollution prevention practices appropriate to the facility and operations. Documentation of Licensee's pollution prevention practices shall be provided as part of a facility operations plan or separate pollution prevention plan. Licensee shall comply with all stormwater pollution control regulations, and shall prepare and submit all stormwater permit applications and stormwater pollution control plans within forty-five (45) days of the Effective Date.

8.1.3 Repair of Any Damage. In the event that damage to any of the improvements to the Property which are Licensee's obligation to maintain by reason of ordinary wear and tear or deterioration results in such improvements not meeting the standard of maintenance required by City for such uses as Licensee is making of the Property, then Licensee shall have the independent responsibility for, and shall promptly undertake such maintenance or repair and complete the same with due diligence. If Licensee fails to do so after reasonable notice in writing from City, then in addition to any other remedy available to City, City may make such maintenance or repairs and Licensee shall reimburse City therefor. Work performed by the City pursuant to this Section 8.1.3 shall not be subject to any abatement of the Base Fee. The City, in its sole discretion, may obtain reimbursement for damages from Licensee's Letter of Credit required by Section 12.2 of the Towing Agreement ("Security Deposit"). Should the City obtain reimbursement for damages from the Security Deposit, Licensee shall promptly restore the Security Deposit to its original amount.

9. LIENS AND ENCUMBRANCES

9.1 Liens. Licensee shall keep the Premises and the rest of the Property free from any liens arising out of any work performed, material furnished or obligations incurred by or for Licensee. In the event Licensee does not, within twenty (20) days following the imposition of any such lien, cause the lien to be released of record by payment or posting of a proper bond, City shall have, in addition to all other remedies, the right, but not the obligation, to cause the lien to be released by such means as it shall deem proper, including, but not limited to, payment of the claim giving rise to such lien. All such sums paid by City and all expenses reasonably incurred by it in connection therewith (including, without limitation, reasonable attorneys' fees) shall be payable to City by Licensee within thirty (30) days of demand by City. City shall have the right to post on the Premises any notices that City may deem proper for the protection of City, the Premises from mechanics' and materialmen's liens. Licensee shall give to City at least fifteen (15) days' prior written notice of commencement of any repair or construction on the Premises.

9.2 Encumbrances. Licensee shall not create, permit or suffer any liens or encumbrances affecting any portion of the Premises, the Property or City's interest therein or under this License.

10. UTILITIES AND SERVICES

10.1 Utilities and Services. Gas, electrical, sewer, water, janitor service, telecommunications services and any other utilities or services shall be acquired and paid by Licensee, including the initial hook up to said utilities and services.

10.2 Utility Maintenance. Licensee shall be obligated, at its sole cost and expense, to repair and maintain in good operating condition all utilities located within the Premises and all utilities installed by Licensee (whether within or outside the Premises). If Licensee requests City to perform such maintenance or repair, whether emergency or routine, City may charge Licensee for the cost of the work performed at the then prevailing standard rates, and Licensee agrees to pay said charges to City promptly upon billing. Licensee shall pay for repair of utilities located outside the Premises (regardless of who installed the same) which are damaged by or adversely affected by Licensee's use of such utility and shall be responsible for all damages, liabilities and claims arising therefrom. The parties agree that any and all utility improvements shall become part of the realty and are not trade fixtures.

11. COMPLIANCE WITH LAWS AND RISK MANAGEMENT REQUIREMENTS

11.1 Compliance with Laws.

11.1.1 Licensee shall promptly comply, at its sole expense, with all present or future laws, judicial decisions, orders, regulations and requirements of all governmental authorities relating to the Premises or the use or occupancy thereof, whether in effect at the time of the execution of this License or adopted at any time thereafter and whether or not within the present contemplation of the parties.

11.1.2 Licensee further understands and agrees that it is Licensee's obligation, at its sole cost, to cause the Premises and Licensee's uses thereof to be conducted in compliance with the Americans with Disabilities Act, 42 U.S.C.A. §§ 12101 et seq. Licensee shall not be required to make any structural alterations in order to comply with such laws unless such alterations shall be occasioned, in whole or in part, directly or indirectly, by Licensee's Alterations, Licensee's manner of using the Premises, or any act or omission of Licensee, its Agents or Invitees. Any Alteration made by or on behalf of Licensee pursuant to the provisions of this Section shall comply with the provisions of Section 8.1 [Licensee's Repairs], above.

11.1.3 Licensee shall comply with all Fire Code requirements in its use and occupancy of the Property.

11.1.4 The parties acknowledge and agree that Licensee's obligation to comply with all laws as provided herein is a material part of the bargained for consideration under this License. Licensee's obligation under this Section shall include, without limitation, the responsibility of Licensee to comply with applicable laws by making substantial or structural repairs and modifications to the Premises (including any of Licensee's Alterations), regardless of, among other factors, the relationship of the cost of curative action to the fee under this License, the relative benefit of the repairs to Licensee or City and the degree to which the curative action may interfere with Licensee's use or enjoyment of the Premises. This section shall not apply to any non-compliance with laws relating to changes in use or configuration of the Premises requested by City.

11.2 Regulatory Approvals.

11.2.1 Responsible Party. Licensee understands and agrees that Licensee's use of the Premises and construction of any Alterations permitted hereunder may require authorizations, approvals or permits from governmental regulatory agencies with jurisdiction over the Premises. Licensee shall be solely responsible for obtaining any and all such regulatory approvals. Licensee shall not seek any regulatory approval without first obtaining the written consent of City hereunder. Licensee shall bear all costs associated with applying for and obtaining any necessary or appropriate regulatory approval and shall be solely responsible for satisfying any and all conditions imposed by regulatory agencies as part of a regulatory approval, other than any conditions that may arise out of Hazardous Materials in, on, or under any part of the Buildings or Premises that were present on the March 22, 2004, to the extent that such regulatory conditions relate to property conditions existing prior to March 22, 2004, and except to the extent that the regulatory conditions relate to Licensee's exacerbation of any pre-existing condition; provided, however, that City shall not be required to engage in any work or incur any costs necessary to secure any regulatory approval or satisfy any condition imposed by a regulatory agency. Any fines or penalties levied as a result of Licensee's failure to comply with the terms and conditions of any regulatory approval shall be immediately paid and discharged by Licensee, and City shall have no liability, monetary or otherwise, for any such fines or penalties. As defined in Section 18.2 herein, Licensee shall Indemnify City and the other Indemnified Parties hereunder against all Losses arising in connection with Licensee's failure to obtain or comply with the terms and conditions of any regulatory approval.

11.2.2 City Acting as Owner of Real Property. Licensee further understands and agrees that City is entering into this License in its capacity as a property owner or lessee with a proprietary interest in the Premises and not as a regulatory agency with police powers. Nothing in this License shall limit in any way Licensee's obligation to obtain any required approvals from City departments, boards or commissions having jurisdiction over the Premises. By entering into this License, City is in no way modifying or limiting Licensee's obligation to cause the Premises to be used and occupied in accordance with all applicable laws, as provided further above.

11.3 Compliance with City's Risk Management Requirements. Licensee shall not do anything, or permit anything to be done, in or about the Premises which would be prohibited by or increase the rates under a standard form fire insurance policy or subject City to potential premises liability. Licensee shall faithfully observe, at its expense, any and all requirements of City's Risk Manager with respect to Licensee's use and occupancy of the Premises, so long as such requirements do not unreasonably interfere with Licensee's use of the Premises.

12. SUBORDINATION

This License is and shall be subordinate to any reciprocal easement agreement, ground lease, facilities lease or other underlying leases or licenses and the lien of any mortgage or deed of trust, that may now exist or hereafter be executed affecting the Property, or any part thereof, or City's interest therein. Notwithstanding the foregoing, City or the holder shall have the right to subordinate any such interests to this License. If any ground lease or underlying lease terminates for any reason or any

mortgage or deed of trust is foreclosed or a conveyance in lieu of foreclosure is made for any reason, Licensee shall attorn to the successor-in-interest to City, at the option of such successor-in-interest. The provisions of this Section shall be self-operative and no further instrument shall be required. Licensee agrees, however, to execute and deliver, upon demand by City and in the form requested by City, any additional documents evidencing the priority or subordination of this License.

13. INABILITY TO PERFORM

If City is unable to perform or is delayed in performing any of City's obligations under this License, by reason of acts of God, accidents, breakage, repairs, strikes, lockouts, other labor disputes, protests, riots, demonstrations, inability to obtain utilities or materials or by any other reason beyond City's reasonable control, no such inability or delay shall constitute an actual or constructive eviction, in whole or in part, or entitle Licensee to any abatement or diminution of fee or relieve Licensee from any of its obligations under this License, or impose any liability upon City or its Agents by reason of inconvenience, annoyance, interruption, injury or loss to or interference with Licensee's business or use and occupancy or quiet enjoyment of the Premises or any loss or damage occasioned thereby. Licensee hereby waives and releases any right to terminate this License under Section 1932, subdivision 1 of the California Civil Code or any similar law, statute or ordinance now or hereafter in effect.

14. DAMAGE AND DESTRUCTION

14.1 Damage and Destruction. If the Premises or the Buildings are damaged by fire or other casualty City shall have no obligation to repair the Premises or Buildings. City shall use its best efforts to notify Licensee within ninety (90) days after the date of such damage whether or not such damage can be repaired within two hundred ten (210) days after the date of such damage (the "Repair Period"). If such repairs cannot be made within the Repair Period, City shall have the option, to notify Licensee of: (a) City's intention to repair such damage and diligently prosecute such repairs to completion within a reasonable period after the Repair Period, subject to appropriation of funds by City's Board of Supervisors, in which event this License shall continue in full force and effect, except that Licensee shall be entitled to a proportionate reduction of the Base Fee during the period of such repairs if they continue for more than thirty (30) days or result in the exclusion of Licensee from a portion of the Premises in excess of 250 square feet from the date of termination of the Repair Period, or (b) City's election to terminate this License as of a date specified in such notice. In case of termination, the Base Fee shall be reduced as provided above, and Licensee shall pay such reduced Base Fee up to the date of termination.

If at any time during the last twelve (12) months of the Term of this License, the Premises or the Buildings is damaged or destroyed, then Licensee may terminate this License by giving written notice to City of its election to do so within thirty (30) days after the date of the occurrence of such damage; provided, however, Licensee may terminate only if such damage or destruction substantially impairs its use or occupancy of the Premises for general office purposes. The effective date of termination shall be specified in the notice of termination, which date shall not be more than thirty (30) days from the date of the notice.

14.2 City Repairs. Notwithstanding anything to the contrary in this License, City shall have no obligation to repair the Premises or the Buildings in the event the damage or destruction is attributable to any act or omission of Licensee, its Agents or Invitees. In no event shall City be required to repair any damage to Licensee's Personal Property or any paneling, decorations, railings, floor coverings, or any Alterations installed or made on the Premises by or at the expense of Licensee.

14.3 Duties Upon Termination. Upon any termination of the Towing Agreement, Licensee shall leave the Property free and clear of all debris and Hazardous Materials deposited on the Property during the Terms of the Towing Agreement and Emergency Interim Agreement, both above and within the ground, except for any vehicles that City may in its sole and absolute discretion authorize to be stored

on the Property after termination of the Towing Agreement and any Hazardous Materials contained in such vehicles, and shall repair any damage to the Property for which Licensee is liable under the Towing Agreement and Emergency Interim Agreement, subject only to such adjustments as may be mutually agreed by the parties hereto in writing. If Licensee fails to remove any Alterations, furniture, debris, waste, or Hazardous Materials when requested to do so by City or fails to leave the Property in the condition required herein, City may remove such items and correct such condition at Licensee's sole expense, and charge said costs against the Security Deposit or the Maintenance Deposit, in the City's sole discretion, pursuant to Section 12.2 and 12.3 of the Towing Agreement and Sections 24.10 of this License, and Licensee is required to pay any expense or portions thereof not compensated by those funds.

14.4 Termination by City. In the event the Premises are substantially damaged or destroyed and City intends to rebuild for public purposes inconsistent with this License, City may terminate this License upon written notice to Licensee.

14.5 Licensee Waiver. City and Licensee intend that the provisions of this Section govern fully in the event of any damage or destruction and accordingly, City and Licensee each hereby waives the provisions of Section 1932, subdivision 2, and Section 1933, subdivision 4, of the Civil Code of California or under any similar law, statute or ordinance now or hereafter in effect.

15. EMINENT DOMAIN

15.1 Definitions.

15.1.1 "Taking" means a taking or damaging, including severance damage, by eminent domain, inverse condemnation or for any public or quasi-public use under law. A Taking may occur pursuant to the recording of a final order of condemnation, or by voluntary sale or conveyance in lieu of condemnation or in settlement of a condemnation action.

15.1.2 "Date of Taking" means the earlier of (i) the date upon which title to the portion of the Property taken passes to and vests in the condemner or (ii) the date on which Licensee is dispossessed.

15.1.3 "Award" means all compensation, sums or anything of value paid, awarded or received for a Taking, whether pursuant to judgment, agreement, settlement or otherwise.

15.2 General. If during the Term or during the period between the execution of this License and the Commencement Date, there is any Taking of all or any part of the Premises or any interest in this License, the rights and obligations of Licensee shall be determined pursuant to this Section. City and Licensee intend that the provisions hereof govern fully Licensee's rights in the event of a Taking and accordingly, Licensee hereby waives any right to terminate this License in whole or in part under Sections 1265.120 and 1265.130 of the California Code of Civil Procedure or under any similar law now or hereafter in effect.

15.3 Total Taking; Automatic Termination. If there is a total Taking of the Premises, then this License shall terminate as of the Date of Taking.

15.4 Partial Taking; Election to Terminate.

15.4.1 If there is a Taking of any portion (but less than all) of the Premises, then this License shall terminate in its entirety under either of the following circumstances: (i) if all of the following exist: (A) the partial Taking renders the remaining portion of the Premises unsuitable for continued use by Licensee, (B) the condition rendering the Premises unsuitable either is not curable or is

curable but City is unwilling or unable to cure such condition, and (C) Licensee elects to terminate; or (ii) if City elects to terminate.

15.4.2 If Licensee elects to terminate under the provisions of this Section 15, Licensee shall do so by giving written notice to the City before or within thirty (30) days after the Date of Taking, and thereafter this License shall terminate upon the later of the thirtieth day after such written notice is given or the Date of Taking.

15.5 License Fee: Award. Upon termination of this License pursuant to an election under Section 15.4 above, then: (i) Licensee's obligation to pay the License Fee shall continue up until the date of termination, and thereafter shall cease, except that fee shall be reduced as provided in Section 15.6 below for any period during which this License continues in effect after the Date of Taking, and (ii) City shall be entitled to the entire Award in connection therewith (including, but not limited to, any portion of the Award made for the value of Licensee's interest under this License), and Licensee shall have no claim against City for the value of any unexpired term of this License, provided that Licensee may make a separate claim for compensation, and Licensee shall receive any Award made specifically to Licensee, for Licensee's relocation expenses or the interruption of or damage to Licensee's business or damage to Licensee's Personal Property.

15.6 Partial Taking: Continuation of License. If there is a partial Taking of the Premises under circumstances where this License is not terminated in its entirety under Section 15.4 above, then this License shall terminate as to the portion of the Premises so taken, but shall remain in full force and effect as to the portion not taken, and the rights and obligations of the parties shall be as follows: (a) Base Fee shall be reduced by an amount that is in the same ratio to the Base Fee as the area of the Premises taken bears to the area of the Premises prior to the Date of Taking; and (b) City shall be entitled to the entire Award in connection therewith (including, but not limited to, any portion of the Award made for the value of the License interest created by this License), and Licensee shall have no claim against City for the value of any unexpired term of this License, provided that Licensee may make a separate claim for compensation, and Licensee shall receive any Award made specifically to Licensee, for Licensee's relocation expenses or the interruption of or damage to Licensee's business or damage to Licensee's Personal Property.

15.7 Temporary Takings. Notwithstanding anything to contrary in this Section, if a Taking occurs with respect to all or any part of the Premises for a limited period of time not in excess of one hundred eighty (180) consecutive days, this License shall remain unaffected thereby, and Licensee shall continue to pay all fees and to perform all of the terms, conditions and covenants of this License. In the event of such temporary Taking, Licensee shall be entitled to receive that portion of any Award representing compensation for the use or occupancy of the Premises during the Term up to the total fee owing by Licensee for the period of the Taking, and City shall be entitled to receive the balance of any Award.

16. ASSIGNMENT AND SUBLETTING

Licensee shall not directly or indirectly (including, without limitation, by merger, acquisition or other transfer of any controlling interest in Licensee), voluntarily or by operation of law, sell, assign, encumber, pledge or otherwise transfer (collectively, "Assignment") any part of its interest in or rights with respect to the Premises, or permit any portion of the Premises to be occupied by anyone other than itself, or sublet or license any portion of the Premises (collectively, "Subletting"), without City's prior written consent in each instance, as provided herein. City hereby consents to the assignment of this License to Pick-N-Pull Auto Dismantlers in the event that Licensee is declared to be in default and/or the Towing Agreement is terminated pursuant to Sections 18 and/or 19 of the Towing Agreement during the Term of this License, and subject to all other conditions and requirements of this License and the Towing Agreement.

17. DEFAULT; REMEDIES

17.1 Events of Default. Any of the following shall constitute an event of default by Licensee hereunder:

17.1.1 A failure to pay the Base Fee or any other amount payable under this License when due, and such failure continues for three (3) days after the date of written notice by City. However, City shall not be required to provide such notice with respect to more than two delinquencies and any such failure by Licensee after Licensee has received two (2) such notices shall constitute a default by Licensee hereunder without any further action by City or opportunity of Licensee to cure except as may be required by Section 1161 of the California Code of Civil Procedure.

17.1.2 A failure to comply with any other covenant, condition or representation made under this License and such failure continues for fifteen (15) days after the date of written notice by City, provided that if such default is not capable of cure within such 15-day period, Licensee shall have a reasonable period to complete such cure if Licensee promptly undertakes action to cure such default within such 15-day period and thereafter diligently prosecutes the same to completion within sixty (60) days after the receipt of notice of default from City. City shall not be required to provide such notice with respect to more than two defaults and after the second notice any subsequent failure by Licensee shall constitute an event of default hereunder;

17.1.3 A vacation or abandonment of the Premises for a continuous period in excess of five (5) business days; or

17.1.4 An appointment of a receiver to take possession of all or substantially all of the assets of Licensee, or an assignment by Licensee for the benefit of creditors, or any action taken or suffered by Licensee under any insolvency, bankruptcy, reorganization, moratorium or other debtor relief act or statute, whether now existing or hereafter amended or enacted, if any such receiver, assignment or action is not released, discharged, dismissed or vacated within sixty (60) days.

17.2 City Rights Upon Default. Upon the occurrence of an event of default by Licensee, City shall have the right to terminate the License in addition to the following rights and all other rights and remedies available to City at law or in equity:

17.2.1 The rights and remedies provided by California Civil Code Section 1951.2 (damages on termination for breach), including, but not limited to, the right to terminate Licensee's right to possession of the Premises and to recover the worth at the time of award of the amount by which the unpaid Base Fee for the balance of the Term after the time of award exceeds the amount of rental loss for the same period that Licensee proves could be reasonably avoided, as computed pursuant to subsection (b) of such Section 1951.2. City's efforts to mitigate the damages caused by Licensee's breach of this License shall not waive City's rights to recover damages upon termination.

17.2.2 The rights and remedies provided by California Civil Code Section 1951.4 (continuation of lease after breach and abandonment), allowing City to continue this License in effect and to enforce all its rights and remedies under this License, including the right to recover the Base Fee as it becomes due, for so long as City does not terminate Licensee's right to possession, if Licensee has the right to sublet or assign, subject only to reasonable limitations. For purposes hereof, none of the following shall constitute a termination of Licensee's right of possession: acts of maintenance or preservation; efforts to relet the Premises or the appointment of a receiver upon City's initiative to protect its interest under this License; withholding consent to an Assignment or Sublicense, or terminating an Assignment or Sublicense, if the withholding or termination does not violate the rights of Licensee specified in subdivision (b) of California Civil Code Section 1951.4. If City exercises its remedy under California Civil Code Section 1951.4, City may from time to time sublet or license the Premises or any

part thereof for such term or terms (which may extend beyond the Term) and at such rent or fee and upon such other terms as City may in its sole discretion deem advisable, with the right to make alterations and repairs to the Premises. Upon each such subletting or sublicensing, Licensee shall be liable for Base Fee and any other amounts due hereunder, as well as the cost of such subletting or sublicensing and such alterations and repairs incurred by City and the amount, if any, by which fee owing hereunder for the period of such subletting or sublicensing (to the extent such period does not exceed the Term) exceeds the amount to be paid as rent or fee for the Premises for such period pursuant to such subletting or sublicensing. No action taken by City pursuant to this subsection shall be deemed a waiver of any default by Licensee, or to limit City's right to terminate this License at any time.

17.2.3 The right to have a receiver appointed for Licensee upon application by City to take possession of the Premises and to apply any fees or rental collected from the Premises and to exercise all other rights and remedies granted to City pursuant to this License.

17.3 City's Right to Cure Licensee's Defaults. If Licensee defaults in the performance of any of its obligations under this License, then City may, at its sole option, remedy such default for Licensee's account and at Licensee's expense by providing Licensee with three (3) days' prior written or oral notice of City's intention to cure such default (except that no such prior notice shall be required in the event of an emergency as determined by City). Such action by City shall not be construed as a waiver of such default or any rights or remedies of City, and nothing herein shall imply any duty of City to do any act that Licensee is obligated to perform. Licensee shall pay to City upon demand, all reasonable costs, damages, expenses or liabilities incurred by City, including, without limitation, reasonable attorneys' fees, in remedying or attempting to remedy such default. Licensee's obligations under this Section shall survive the termination of this License.

18. WAIVER OF CLAIMS; INDEMNIFICATION

18.1 Limitation on City's Liability: Waiver of Claims. Except as provided for in Sections 24.3 and 24.8, below, City shall not be responsible for or liable to Licensee, and Licensee hereby assumes the risk of, and waives and releases City and its Agents from all Claims (as defined below) for, any injury, loss or damage to any person or property in or about the Premises by or from any cause whatsoever including, without limitation, (i) any act or omission of persons occupying adjoining premises or any part of the Buildings adjacent to or connected with the Premises which are not occupied by City, (ii) theft, (iii) explosion, fire, steam, oil, electricity, water, gas or rain, pollution or contamination, (iv) stopped, leaking or defective Building Systems, (v) Building defects, and (vi) any other acts, omissions or causes. Nothing herein shall relieve City from liability caused solely and directly by the gross negligence or willful misconduct of City or its Agents, but City shall not be liable under any circumstances for any consequential, incidental or punitive damages.

18.2 Licensee's Indemnity. Except as provided for in Sections 24.3 and 24.8, below, Licensee, on behalf of itself and its successors and assigns, shall indemnify, defend and hold harmless ("Indemnify") the City and County of San Francisco including, but not limited to, all of its boards; commissions, departments, agencies and other subdivisions, and all of its and their Agents, and their respective heirs, legal representatives, successors and assigns (individually and collectively, the "Indemnified Parties"), and each of them, from and against any and all liabilities, losses, costs, claims, judgments, settlements, damages, liens, fines, penalties and expenses, including, without limitation, direct and vicarious liability of every kind (collectively, "Claims"), incurred in connection with or arising in whole or in part from: (a) any accident, injury to or death of a person, including, without limitation, employees of Licensee, or loss of or damage to property, howsoever or by whomsoever caused, occurring in or about the Property; (b) any default by Licensee in the observation or performance of any of the terms, covenants or conditions of this License to be observed or performed on Licensee's part; (c) the use or occupancy or manner of use or occupancy of the Premises by Licensee, its Agents or Invitees or any person or entity claiming through or under any of them; (d) the

condition of the Premises; (e) any construction or other work undertaken by Licensee on the Premises whether before or during the Term of this License; or (f) any acts, omissions or negligence of Licensee, its Agents or Invitees, in, on or about the Premises or the Property, all regardless of the active or passive negligence of, and regardless of whether liability without fault is imposed or sought to be imposed on, the Indemnified Parties, 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 License and further except only such Claims as are caused exclusively by the willful misconduct or gross negligence of the Indemnified Parties. The foregoing Indemnity shall include, without limitation, reasonable fees of attorneys, consultants and experts and related costs and City's costs of investigating any Claim. Licensee specifically acknowledges and agrees that it has an immediate and independent obligation to defend the City from any claim which actually or potentially falls within this indemnity provision even if such allegation is or may be groundless, fraudulent or false, which obligation arises at the time such claim is tendered to Licensee by City and continues at all times thereafter. Licensee's obligations under this Section shall survive the termination of the License.

19. INSURANCE

19.1 Licensee's Insurance. Licensee, at its sole cost, shall procure and keep in effect at all times during the Term insurance for the Premises in the form and amounts and under the terms and conditions specified in the Section 11 of the Towing Agreement [Required Insurance]. Such insurance shall be subject to the approval of the Port Executive Director at the time of the execution of this License.

19.2 Licensee's Personal Property. Licensee shall be responsible, at its expense, for separately insuring Licensee's Personal Property.

19.3 City's Self Insurance. Licensee acknowledges that City self-insures against casualty, property damage and public liability risks and agrees that City may at its sole election, but shall not be required to, carry any third party insurance with respect to the Buildings, the Premises or otherwise.

19.4 Waiver of Subrogation. Notwithstanding anything to the contrary contained herein, to the extent permitted by their respective policies of insurance, City and Licensee each hereby waive any right of recovery against the other party and against any other party maintaining a policy of insurance covering the Buildings or the contents, or any portion thereof, for any loss or damage maintained by such other party with respect to the Buildings or the Premises or any portion thereof or the contents of the same or any operation therein, whether or not such loss is caused by the fault or negligence of such other party. If any policy of insurance relating to the Premises earned by Licensee does not permit the foregoing waiver or if the coverage under any such policy would be invalidated due to such waiver, Licensee shall obtain, if possible, from the insurer under such policy a waiver of all rights of subrogation the insurer might have against City or any other party maintaining a policy of insurance covering the same loss, in connection with any claim, loss or damage covered by such policy.

20. ACCESS BY CITY

City reserves for itself and any of its designated Agents, the right to enter the Premises at all reasonable times, with or without advance notice, including, without limitation, in order to (i) oversee or inspect Licensee's operations or conduct any business with Licensee; (ii) show the Premises to prospective Licensees or other interested parties, to post notices of non-responsibility, to conduct any environmental audit of Licensee's use of the Premises, to repair, alter or improve any part of the Buildings, Building Systems or the Premises, and for any other lawful purpose; or (iii) whenever City believes that emergency access is required. City shall have the right to use any means that it deems proper to open doors in an emergency in order to obtain access to any part of the Premises, and any such entry shall not be construed or deemed to be a forcible or unlawful entry into or a detainer of, the

Premises, or an eviction, actual or constructive, of Licensee from the Premises or any portion thereof. Licensee shall not alter any lock or install any new or additional locking devices without the prior written consent of City. City shall at all times have a key with which to unlock all locks installed in the Premises (excluding Licensee's vaults, safes or special security areas, if any, designated by Licensee in writing to City).

21. LICENSEE'S CERTIFICATES

Licensee, at any time, and from time to time upon not less than ten (10) days' prior notice from City, shall execute and deliver to City or to any party designated by City a certificate stating: (a) that Licensee has accepted the Premises, (b) the Commencement Date and Expiration Date of this License, (c) that this License is unmodified and in full force and effect (or, if there have been modifications, that the License is in full force and effect as modified and stating the modifications), (d) whether or not there are then existing any defenses against the enforcement of any of Licensee's obligations hereunder (and if so, specifying the same), (e) whether or not there are any defaults then existing under this License (and if so specifying the same), (f) the dates, if any, to which the Base Fee and any other amounts owing under this License have been paid, and (g) any other information that may be required.

22. PREMISES MAINTENANCE REQUIREMENTS

Licensee shall faithfully comply with the Pier 70 Premises Maintenance Plan and the Pollution Prevention Plan which shall be adopted as part of the Operations Plan pursuant to Section 14(k) of the MOU and Section 14 of Appendix A of the Towing Agreement. The Operations Plan is hereby incorporated by reference into this License as though fully set forth herein. Any violation of the Pier 70 Premises Maintenance Plan or the Pollution Prevention Plan shall be a violation of Section 22 of this License. The Pier 70 Premises Maintenance Plan shall include, at a minimum, the elements described in this Section 22.

22.1 Maintenance of Pavement. Licensee shall maintain the pavement in good condition, including the vehicle and parts storage area, in order to prevent Releases of Hazardous Materials (as those terms are defined below) into or onto the Property or the environment. Licensee shall inspect the pavement at least monthly and shall record in written form the dates and times of such inspections, the name or names of the persons conducting the inspections, and any damage discovered to the pavement and its location. Licensee shall promptly repair any cracked or broken pavement and shall report such damage and repair to City. City shall have the right to enter and inspect the Property from time to time to ensure Licensee's compliance with the terms of this License, including, without limitation, this Section 22.1 and Section 22.2.

- (a) Licensee must furnish at its own cost sealed concrete pads and hazardous waste containment systems for removing and storing residual fluids and batteries from vehicles;
- (b) Licensee shall clean up and remove all leaked or spilled fluids immediately upon discovery or upon notice by City in accordance with the Pier 70 Premises Maintenance Plan.
- (c) Licensee shall only store vehicles and parts in areas with pavement in good condition. Draining must take place on a sealed concrete pad with a containment system to collect residual fluids.
- (d) Licensee may only use a trailer or other temporary structure as a yard office.

- (e) Licensee must ensure that paving, including maintenance and repair, shall protect existing or future groundwater monitoring wells on the Premises.

22.2 Plan and Reporting.

In addition to the above requirements, the Pier 70 Premises Maintenance Plan shall provide for the initial seal coating of paved areas, supervised video or photo documentation of initial surface conditions, ongoing inspection, spill and drip response procedures, maintenance schedule for pavement maintenance and repair of cracks and other identified deficiencies, reapplication of seal coat, staff training protocols, and supervised video or photo documentation of exit surface conditions. In addition to pavement maintenance, this Plan shall include other property management protocols, including but not limited to, maintenance of fencing, lighting, signage and permanent or temporary buildings. The Plan shall also include a reporting schedule, with submittal of reports at least quarterly, documenting maintenance performed. Such reports shall include, the following information:

- (a) An initial survey of pavement condition at the time of the Commencement Date of this License;
- (b) Surface type and surface conditions at time of repair, including photographs of pre- and post-repair conditions;
- (c) Repair procedure performed;
- (d) Cost of repairs performed;
- (e) A final survey of pavement condition at the time of termination of this License.

23. SURRENDER OF PREMISES

Upon the Expiration Date or other termination of the Term of this License, Licensee shall immediately peaceably quit and surrender to City the Premises together with all Alterations approved by City in good order and condition, except for normal wear and tear after Licensee's having made the last necessary repair required on its part under this License, and further except for any portion of the Premises condemned and any damage and destruction for which Licensee is not responsible hereunder. The Premises shall be surrendered free and clear of all liens and encumbrances other than liens and encumbrances existing as of the date of this License and any other encumbrances created by City. Immediately before the Expiration Date or other termination of this License, Licensee shall remove all of Licensee's Personal Property as provided in this License, and repair any damage resulting from the removal. Notwithstanding anything to the contrary in this License, City can elect at any time prior to the Expiration Date or within thirty (30) days after termination of this License, to require Licensee to remove, at Licensee's sole expense, all or part of Licensee's Alterations or other improvements or equipment constructed or installed by or at the expense of Licensee. Licensee shall promptly remove such items and shall repair, at its expense, any damage to the Premises or the Buildings resulting from such removal. Licensee's obligations under this Section shall survive the Expiration Date or other termination of this License. Any items of Licensee's Personal Property remaining in the Premises after the Expiration Date or sooner termination of this License may, at City's option, be deemed abandoned and disposed of in accordance with Section 1980 et seq. of the California Civil Code or in any other manner allowed by law. Any expenses or costs incurred by City to discharge liens, remove Licensee's Personal Property or Alterations, or repair any damage for which Licensee is responsible shall be charged against Licensee's Security Deposit.

Concurrently with the surrender of the Premises, Licensee shall, if requested by City, execute, acknowledge and deliver to City a quitclaim deed to the Premises and any other instrument reasonably requested by City to evidence or otherwise effect the termination of Licensee's interest hereunder and to effect such transfer or vesting of title to the Alterations or equipment which remain part of the Premises.

24. HAZARDOUS MATERIALS

24.1 Definitions. As used herein, the following terms shall have the meanings set forth below:

24.1.1 "Environmental Laws" shall mean any present or future federal, state, local or administrative law, rule, regulation, order or requirement relating to Hazardous Material (including, without limitation, their generation, use, handling, transportation, production, disposal, discharge or storage), or to health and safety, industrial hygiene or the environment, including, without limitation, soil, air and groundwater conditions, including without limitation Article 21 of the San Francisco Health Code.

24.1.2 "Hazardous Material" shall mean any material that, because of its quantity, concentration or physical or chemical characteristics, is at any time now or hereafter deemed by any federal, state or local governmental authority to pose a present or potential hazard to human health, welfare or safety or to the environment. Hazardous Material includes, without limitation, any material or substance listed or defined as a "hazardous substance," or "pollutant" or "contaminant" pursuant to the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA", also commonly known as the "Superfund" law), as amended, (42 U.S.C. Sections 9601 et seq.) or pursuant to the Carpenter-Presley-Tanner Hazardous Substance Account Act, as amended, (Cal. Health & Safety Code Sections 25300 et seq.) or pursuant to the Hazardous Waste Control Law, as amended, (Cal. Health & Safety Code Sections 25100 et seq.) or pursuant to the Porter-Cologne Water Quality Control Act, as amended, (Cal. Water Code Sections 13000 et seq.) or pursuant to Section 25501(o) of the California Health and Safety Code; and petroleum, including crude oil or any fraction thereof, natural gas or natural gas liquids.

24.1.3 "Indemnify" shall mean, whenever any provision of this Section 24 requires a person or entity (the "Indemnitor") to Indemnify any other entity or person (the "Indemnitee"), the Indemnitor shall be obligated to defend, indemnify, hold harmless and protect the Indemnitee, its officers, employees, agents, stockholders, constituent partners, and members of its boards and commissions harmless from and against any and all Losses arising directly or indirectly, in whole or in part, out of the act, omission, event, occurrence or condition with respect to which the Indemnitor is required to Indemnify such Indemnitee, whether such act, omission, event, occurrence or condition is caused by the Indemnitor or its agents, employees or contractors, or by any third party or any natural cause, foreseen or unforeseen; provided that no Indemnitor shall be obligated to Indemnify any Indemnitee against any Loss from the negligence or intentional wrongful acts or omissions of such Indemnitee, or such Indemnitee's agents, employees or contractors. If a Loss is attributable partially to the negligent or intentionally wrongful acts or omissions of the Indemnitee (or its agents, employees or contractors), such Indemnitee shall be entitled to Indemnification for that part of the Loss not attributable to such Indemnitee's (or its agents, employees or contractors) negligent or intentionally wrongful acts or omissions.

24.1.4 "Investigate and Remediate" ("Investigation" and "Remediation") shall mean the undertaking of any activities to determine the nature and extent of Hazardous Material that may be located in, on, under or about the Property or surrounding property or that has been, is being or threaten to be Released into the environment, and to clean up, remove, contain, treat, stabilize, monitor or otherwise control such Hazardous Material.

24.1.5 "Losses" shall mean any and all claims, demands, losses, damages, liens, liabilities, injuries, deaths, penalties, fines, lawsuits and other proceedings, judgments and awards rendered therein, and costs and expenses, including, but not limited to, reasonable attorneys' fees.

24.1.6 "Release" when used with respect to Hazardous Material shall include any actual, threatened or imminent spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing into or inside the Premises, or in, on, under or about any other part of the Property or into the environment.

24.2 No Hazardous Materials. Licensee covenants and agrees that neither Licensee nor any of its Agents, Employees or Invitees shall cause or permit any Hazardous Material to be brought upon, kept, used, stored, generated, processed, produced, packaged, treated, emitted, discharged or disposed of in, on or about the Property, or transported to or from the Property without the prior written consent of Port, which consent shall not be unreasonably withheld so long as Licensee demonstrates to Port's reasonable satisfaction that such Hazardous Material is necessary to Licensee's business, will be handled in a manner which strictly complies with all Environmental Laws and will not materially increase the risk of fire or other casualty to the Premises. City and Licensee understand that the vehicles transported to and stored at the Property will contain and may partially consist of Hazardous Materials. Licensee shall immediately notify City if and when Licensee learns or has reason to believe a Release of Hazardous Material on or about any part of the Property has occurred that may require any Investigation or Remediation. Licensee shall not be responsible for the safe handling of Hazardous Materials introduced on the Premises during the Term of the Towing Agreement by DPT, Port or their Agents.

Without limiting any other obligation of Licensee, if acts or omissions of Licensee results in any Hazardous Materials Release or contamination of the Premises, Licensee shall, at its sole expense, promptly take all action that is necessary to return the Premises to the condition existing prior to the introduction of such Hazardous Material in, on, under or about the Premises; provided that City approval of such actions shall first be obtained, which approval shall not be unreasonably withheld so long as such actions could not potentially have any material adverse effect upon the Premises.

24.3 Licensee's Environmental Indemnity. If Licensee breaches any of its obligations contained in this Section 24, or, if any act, omission or negligence of Licensee, its Agents, Employees or Invitees, results in any Release of Hazardous Material in, on or under any part of the Buildings or the Premises, then, Licensee shall, on behalf of itself and its successors and assigns, Indemnify the City from and against all Claims (including, without limitation, claims for injury to or death of a person, damages, liabilities, losses, judgments, penalties, fines, regulatory or administrative actions, damages for decrease in value of the Buildings or Premises, the loss or restriction of the use of rentable or usable space or of any amenity of the Buildings or Premises, damages arising from any adverse impact on marketing of any such space, restoration work requested by Port or required by any federal, state or local governmental agency or political subdivision because of Hazardous Material present in the soil or groundwater in, on or under the Premises or in any Improvements, and sums paid in settlement of claims, attorneys' fees, consultants' fees and experts' fees and costs) arising during or after the Term of the Towing Agreement and relating to such breach or Release. The foregoing Indemnity includes, without limitation, costs incurred in connection with activities undertaken to Investigate and Remediate any Release of Hazardous Material, and to restore the Buildings or Premises to their prior condition. This indemnification of Port and City by Licensee includes, but is not limited to, costs incurred in connection with any investigation of site conditions or any clean-up, remediation, removal or restoration work requested by Port or required by any federal, state or local governmental agency or political subdivision because of Hazardous Material present in the soil or groundwater in, on or under the Premises or in any Alterations. Licensee's obligations hereunder shall survive the termination of the Towing Agreement. Licensee's obligations under this section do not include an indemnity for Claims arising as a result of Hazardous Materials (or other conditions alleged to be in violation of any Environmental Law) in, on, or under any part of the Buildings or Premises that were present on March

22, 2004, to the extent that such Claims relate to conditions existing prior to March 22, 2004, and except to the extent that Licensee exacerbates any pre-existing condition. In the event any action or proceeding is brought against City by reason of a claim arising out of any Loss, Claim, injury or damage suffered on or about the Buildings or Premises for which Licensee has Indemnified the City and upon written notice from the City, Licensee shall at its sole expense answer and otherwise defend such action or proceeding using counsel approved in writing by the City. The City shall have the right, exercised in its sole discretion, but without being required to do so, to defend, adjust, settle or compromise any claim, obligation, debt, demand, suit or judgment against the City in connection with this License or the Buildings or Premises. In the event any action or proceeding is brought against Licensee by reason of a Claim arising out of any Loss, injury or damage suffered on or about the Buildings or Premises for which the City has Indemnified Licensee, and upon written notice from Licensee, City shall at its sole expense answer and otherwise defend such action or proceeding. The Licensee shall have the right, exercised in its sole discretion, but without being required to do so, to defend, adjust, settle or compromise any claim, obligation, debt demand, suit of judgment against the Licensee in connection with this Agreement or the Buildings or Premises. The provisions of this paragraph shall survive the termination of this Agreement with respect to any Loss occurring prior to or upon termination. Licensee and City shall afford each other a full opportunity to participate in any discussions with governmental regulatory agencies regarding any settlement agreement, cleanup or abatement agreement, consent decree, or other compromise or proceeding involving Hazardous Material.

24.4 Compliance with Environmental Laws. In addition to its obligations under Section 11, and without limiting any such obligations or the foregoing, Licensee shall comply with the following requirements or more stringent requirements in any Environmental Laws:

24.4.1 Any Hazardous Materials found and identified as such in the towed vehicles which are not typically part of a towed vehicle, will be removed from the vehicle to an appropriate storage location within 72 hours.

24.4.2 No Hazardous Materials shall be voluntarily or involuntarily disposed of onto or into the ground or into the sewer system.

24.4.3 In no event shall Hazardous Waste (as defined by Title 22 of the California Code of Regulations, as amended) accumulate on the Property for longer than 90 days. Drums used to store Hazardous Materials shall not be stacked more than two drums high. City will not consider fluids that are normally contained within a vehicle to be Hazardous Wastes so long as they remain contained within the vehicle.

24.4.4 Licensee shall store all Hazardous Materials above ground, not in underground storage tanks.

24.4.5 An emergency response plan, emergency response employee training plan and an inventory of Hazardous Materials stored on site shall be provided to DPT and the Port.

24.5 Information Requests. City may from time to time request, and Contractor shall be obligated to provide, information reasonably adequate for City to determine that any and all Hazardous Materials are being handled in a manner which complies with all Environmental Laws.

24.6 Damaged Vehicles. Licensee shall inspect all vehicles before storing them on the Property to make a good faith effort to determine that vehicles are not leaking fluids, including but not limited to gasoline, battery acid, oil, transmission and transfer case fluids, brake and clutch fluids, and coolant. Licensee shall secure vehicles that have been severely damaged due to collision or vandalism so that parts do not fall off and fluids do not leak. Leaking vehicles shall be drained of the leaking fluid

on a sealed cement pad, which Licensee shall maintain free of build-up of Hazardous Materials. Licensee shall immediately clean-up and remove all leaked or spilled fluids, whether within or outside of sealed or contained areas. Licensee shall treat all such fluids and used cleaning materials as hazardous waste and shall dispose of them in accordance with Environmental Laws and Section 24.4 above. Parts that have fallen off a vehicle shall be placed inside the vehicle in a manner that minimizes damage to the vehicle. Licensee shall not be deemed an owner or operator of any damaged vehicle, but shall be deemed the owner of any fluids that leak from such damaged vehicles on or about the Premises.

24.7 Fire Prevention Measures. Licensee shall comply with the following fire prevention measures.

24.7.1 Welding and torch cutting shall be in conformance with the San Francisco Fire Code.

24.7.2 No smoking will be allowed in the Property except in designated areas consistent with applicable local ordinances.

24.7.3 No crushing, burning of wrecked or discarded motor vehicles or waste materials shall be allowed.

24.7.4 Motor vehicles, parts of motor vehicles, junk, waste, or other materials shall not be stored, displayed, or kept in a manner that could hinder or endanger firefighting efforts and operations.

24.7.5 One or more aisles, at least 30 inches wide, must be maintained in the area where vehicles are stored, to permit access by the Fire Department to all parts of the vehicle storage area. Entrances and exits to the area shall be at least 15 feet in width.

24.8 Requirement to Remove. Prior to termination of the Towing Agreement or during the Term if required by a governmental agency, Licensee, at its sole cost and expense, shall remove any and all Hazardous Materials introduced in, on, under or about the Premises by Licensee, its Agents or Invitees during the term thereof or during any prior time in which Licensee occupied the Premises. Licensee shall not be obligated to remove any Hazardous Material introduced onto the Premises before, during, or after the Term of the Towing Agreement or the Emergency Interim Agreement by (1) City or its officers, directors, employees, or Agents or (2) any prior occupants, tenants, property owners, individuals, corporations or entities. If Licensee demonstrates its compliance with the property maintenance requirements of this License, the Pier 70 Premises Maintenance Plan described in Section 22 of this License and MOU Section 14(k), and the Pollution Prevention Plan described in MOU Section 14(k), there shall be a rebuttable presumption that any Hazardous Materials in, on, under or about the Property were not introduced by Licensee, its Agents or Invitees. However, if Licensee does not demonstrate its compliance with the property maintenance requirements of this License or of the Pollution Prevention Plan or the Pier 70 Premises Maintenance Plan, then there shall be a rebuttable presumption that such Hazardous Materials are Licensee's responsibility to the extent that the presence of such Hazardous Materials bear a reasonable causal relationship to Licensee's non-compliance in their composition and location.

At Licensee's cost, prior to the termination of this License, the Port shall have the right, but not the obligation, to conduct an inspection and audit of the Premises for the purpose of identifying Hazardous Materials existing on or under the Premises which Licensee is required to remove. Prior to the termination of the Towing Agreement, at Licensee's expense, City and Licensee shall conduct a joint inspection of the Premises for the purpose of identifying Hazardous Materials on the Premises which can be determined to have been introduced by the Licensee and which Licensee is therefore required to remove. City's failure to conduct an inspection or to detect conditions if an inspection is conducted

shall not be deemed to be a release of any liability for environmental conditions subsequently determined to be Licensee's responsibility.

24.9 Licensee's Environmental Condition Notification Requirements.

24.9.1 Notification of Any Release or Discharge. Licensee shall notify City in writing as required in the Pier 70 Premises Maintenance Plan if Licensee learns or has reason to believe that a Release of any Hazardous Materials on or about any part of the Property has occurred, whether or not the Release is in quantities that under any law would require the reporting of such Release to a governmental or regulatory agency.

24.9.2 Notification of Any Notice, Investigation, or Claim. Licensee shall also immediately notify City in writing of, and shall contemporaneously provide City with a copy of:

- (a) Any written notice of Release of Hazardous Materials on the Premises that is provided by Licensee or any subtenant or other occupant of the Premises to a governmental or regulatory agency;
- (b) Any notice of a violation, or a potential or alleged violation, of any Environmental Law that is received by Licensee or any subtenant or other occupant of the Premises from any governmental or regulatory agency;
- (c) Any inquiry, investigation, enforcement, cleanup, removal or other action that is instituted or threatened by a governmental or regulatory agency against Licensee or subtenant or other occupant of the Premises and that relates to the Release of Hazardous Materials on or from the Premises;
- (d) Any claim that is instituted or threatened by any third party against Licensee or any subtenant or other occupant of the Premises and that relates to any Release of Hazardous Materials on or from the Premises; and
- (e) Any notice of the loss of any environmental operating permit by Licensee or any subtenant or other occupant of the Premises.

24.9.3 Notification of Inspection. Licensee shall immediately notify City in writing of any inspection by any governmental or regulatory agency with jurisdiction over Hazardous Materials and shall provide City with a copy of any inspection record, correspondence, reports and related materials from or to the agency.

24.10 Environmental Security Deposit. Upon the Commencement Date, Licensee shall provide to the City, and shall maintain throughout the Term of this License and for a period of at least ninety (90) days after expiration of this License, a Security Deposit in the form of a Letter of Credit as described in the Towing Agreement Section 12.2 and MOU Section 6. If Licensee receives a notice of violation or other regulatory order from a governmental or regulatory agency with jurisdiction over the site and or its operations (other than from the Port) and Licensee does not achieve compliance with the notice of violation or order to the satisfaction of the issuing agency within the time specified by the agency or by the City if the agency does not specify a timeframe, the City may draw upon the Letter of Credit for purposes of ensuring regulatory compliance. In addition, the City may draw upon the Letter of Credit in order to reimburse the City for any fine or other charge assessed against the City related to any notice of violation or other regulatory order issued to Licensee. The City may also draw upon the Letter of Credit in order to reimburse the City for costs associated with City's environmental assessments or corrective action, which may be performed at the City's sole discretion.

24.11 Environmental Oversight Deposit. Upon execution of the Towing Agreement, Licensee shall provide to the City, and shall maintain and replenish throughout the Term of this License and for a period of at least ninety (90) days after expiration of this License, an Environmental Oversight Deposit in the amount of \$10,000, which shall be deposited in an account specified by City. If Licensee receives a notice of violation or other regulatory order from a governmental or regulatory agency with jurisdiction over the site and or its operations (other than from the Port), and such notice is not cured within fourteen (14) days, the City may draw from this deposit to reimburse the City for staff costs incurred by the City while inspecting site conditions and enforcing and administering the Hazardous Materials provisions of the License. If Licensee receives a notice of violation or other regulatory order from a governmental or regulatory agency with jurisdiction over the site and or its operations (other than from the Port), and such notice is cured within fourteen (14) days, the City may draw from this deposit in an amount not to exceed \$500 to reimburse the City for staff costs incurred by the City. The City will submit an invoice to Licensee for any such costs, and Licensee will pay such invoiced amounts within thirty (30) days to replenish the Environmental Oversight Deposit. Licensee's failure to pay such costs within thirty (30) days, or to replenish the Environmental Oversight Deposit if drawn upon, will constitute an Event of Default.

24.12 Hazardous Substance Disclosure. California law requires landlords to disclose to tenants the presence or potential presence of certain hazardous materials and hazardous substances prior to lease. Accordingly, Licensee 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, asbestos, PCBs, tobacco smoke, methane and building materials containing chemicals, such as formaldehyde. Further, there were and may be Hazardous Materials located on the Premises, which are described in the documents listed in Attachment 4. Licensee acknowledges that the documents listed in Attachment 4 have been provided to or have been made available to it.

By execution of this License, Licensee agrees that the notices and warnings set forth in this Section 24 have been provided pursuant to California Health and Safety Code Sections 25359.7 and related statutes. DPT agrees to provide additional information that comes into its possession regarding hazardous substances on the Premises upon request of Licensee.

25. GENERAL PROVISIONS

25.1 Notices. Any notice, demand, consent or approval required under Sections 4 (Term), 5 (Fee), 6.1 (Permitted Use), 6.7 (Fines), 7.5 (Removal of Alterations), 11.2.1 (Regulatory Approvals-Responsible Party), 14 (Damage and Destruction), 16 (Assignment and Subletting), 17 (Default; Remedies), 18 (Waiver of Claims; Indemnification), 19 (Insurance), 23 (Surrender of Premises), or 24 (Hazardous Materials) of this License shall be effective only if in writing and given by delivering the notice in person or by sending it first-class certified mail with a return receipt requested or by overnight courier, return receipt requested, with postage prepaid, to: (a) Licensee (i) at Licensee's address set forth in the Basic License Information, if sent prior to Licensee's taking possession of the Premises, or (ii) at the Premises if sent on or subsequent to Licensee's taking possession of the Premises, or (iii) at any place where Licensee or any Agent of Licensee may be found if sent subsequent to Licensee's vacating, abandoning or surrendering the Premises; or (b) City at City's address set forth in the Basic License Information; or (c) to such other address as either City or Licensee may designate as its new address for such purpose by notice given to the other in accordance with the provisions of this Section at least ten (10) days prior to the effective date of such change. Any notice hereunder shall be deemed to have been given two (2) days after the date when it is mailed if sent by first class or certified mail, one day after the date it is made if sent by overnight courier, or upon the date personal delivery is made. For convenience of the parties, copies of such notices, demands, consents or approvals may also be given by telefacsimile ("fax") to the telephone number set forth in the Basic License Information or such other number as may be provided from time to time; however,

neither party may give official or binding notice by facsimile. All other written communications may be by first class U.S. mail, postage pre-paid, by email or by fax addressed with the contact information set forth in the Basic License Information.

25.2 No Implied Waiver. No failure by City to insist upon the strict performance of any obligation of Licensee under this License or to exercise any right, power or remedy arising out of a breach thereof, irrespective of the length of time for which such failure continues, no acceptance of full or partial Base Fee or any other amounts owing under this License during the continuance of any such breach, and no acceptance of the keys to or possession of the Premises prior to the expiration of the Term by any Agent of City, shall constitute a waiver of such breach or of City's right to demand strict compliance with such term, covenant or condition or operate as a surrender of this License. No express written waiver of any default or the performance of any provision hereof shall affect any other default or performance, or cover any other period of time, other than the default, performance or period of time specified in such express waiver. One or more written waivers of a default or the performance of any provision hereof shall not be deemed to be a waiver of a subsequent default or performance. Any consent by City hereunder shall not relieve Licensee of any obligation to secure the consent of City in any other or future instance under the terms of this License.

25.3 Amendments. Neither this License nor any term or provisions hereof may be changed, waived, discharged or terminated, except by a written instrument signed by both parties hereto.

25.4 Authority. If Licensee signs as a corporation or a partnership, each of the persons executing this License on behalf of Licensee does hereby covenant and warrant that Licensee is a duly authorized and existing entity, that Licensee has and is qualified to do business in California, that Licensee has full right and authority to enter into this License, and that each and all of the persons signing on behalf of Licensee are authorized to do so. Upon City's request, Licensee shall provide City with evidence reasonably satisfactory to City confirming the foregoing representations and warranties.

25.5 Parties and Their Agents; Approvals. The words "City" and "Licensee" as used herein shall include the plural as well as the singular. If there is more than one Licensee, the obligations and liabilities under this License imposed on Licensee shall be joint and several. As used herein, the term "Agents" when used with respect to either party shall include the agents, employees, officers, contractors and representatives of such party, and the term "Invitees" when used with respect to Licensee shall include the clients, customers, invitees, guests, licensees, assignees or sublicensees of Licensee. All approvals, consents or other determinations permitted or required by City hereunder shall be made by or through t DPT unless otherwise provided in this License, subject to applicable law.

25.6 Interpretation of License.

25.6.1 The captions preceding the articles and sections of this License and in the table of contents have been inserted for convenience of reference only and such captions shall in no way define or limit the scope or intent of any provision of this License.

25.6.2 This License has been negotiated at arm's length and between persons sophisticated and knowledgeable in the matters dealt with herein and shall be interpreted to achieve the intents and purposes of the parties, without any presumption against the party responsible for drafting any part of this License.

25.6.3 Provisions in this License relating to number of days shall be calendar days, unless otherwise specified, provided that if the last day of any period to give notice, reply to a notice or to undertake any other 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 shall be the next succeeding business day.

25.6.4 Use of the word "including" or similar words shall not be construed to limit any general term, statement or other matter in this License, whether or not language of non-limitation, such as "without limitation" or similar words, are used.

25.6.5 Any capitalized term used herein shall be interpreted in accordance with the definition set forth in this License. If the capitalized term is not defined in this License Agreement, it shall be interpreted in accordance with the definition set forth in the Towing Agreement or the MOU.

25.6.6 Order of Precedence: Any inconsistency between this License, the Towing Agreement and the MOU shall be resolved by giving precedence in the following order: (a) the Towing Agreement; (b) the MOU; (c) this License Agreement.

25.7 **Successors and Assigns.** Subject to the provisions of this License relating to Assignment and subletting, the terms, covenants and conditions contained in this License shall bind and inure to the benefit of City and Licensee and, except as otherwise provided herein, their personal representatives and successors and assigns; provided, however, that upon any sale, assignment or transfer by City named herein (or by any subsequent Licensor) of its interest in the Buildings as owner or lessee, including any transfer by operation of law, City (or any subsequent Licensor) shall be relieved from all subsequent obligations and liabilities arising under this License subsequent to such sale, assignment or transfer.

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

25.9 **Governing Law.** This License shall be construed and enforced in accordance with the laws of the State of California.

25.10 **Entire Agreement.** This License, together with all exhibits hereto, which are made a part of this License, and the Towing Agreement, constitute the entire agreement between City and Licensee about the subject matters hereof and may not be modified except by an instrument in writing signed by the party to be charged. In the event of any conflict between the terms of the Towing Agreement and the terms of this License, the terms of the License shall control. All prior written or oral negotiations, understandings and agreements are merged herein. The parties further intend that this License shall constitute the complete and exclusive statement of its terms and that no extrinsic evidence whatsoever (including prior drafts hereof and changes therefrom) may be introduced in any judicial, administrative or other legal proceeding involving this License. Licensee hereby acknowledges that neither City nor City's Agents have made any representations or warranties with respect to the Premises, the Buildings or this License except as expressly set forth herein, and no rights, easements or licenses are or shall be acquired by Licensee by implication or otherwise unless expressly set forth herein.

25.11 **Attorneys' Fees.** In the event that either City or Licensee fails to perform any of its obligations under this License or in the event a dispute arises concerning the meaning or interpretation of any provision of this License, the defaulting party or the party not prevailing in such dispute, as the case may be, shall pay any and all costs and expenses incurred by the other party in enforcing or establishing its rights hereunder (whether or not such action is prosecuted to judgment), including, without limitation, court costs and reasonable attorneys' fees. For purposes of this License, reasonable fees of attorneys of City's Office of the City Attorney shall be based on the fees regularly charged by private attorneys with the equivalent number of years of experience in the subject matter area of the law for which the City Attorney's services were rendered who practice in the City of San

Francisco in law firms with approximately the same number of attorneys as employed by the Office of the City Attorney.

25.12 Holding Over. Any holding over after the fifth (5th) anniversary of the Commencement Date with the express consent of City shall be construed to automatically extend the Term of this License on a month-to-month basis at a fee, in the sole discretion of the City, up to one hundred twenty percent (120%) of the latest Base Fee payable by Licensee hereunder prior to such anniversary, and shall otherwise be on the terms and conditions herein specified so far as applicable. Any holding over after the fifth (5th) anniversary of the Commencement Date without City's consent shall constitute a default by Licensee and entitle City to exercise any or all of its remedies as provided herein, notwithstanding that City may elect to accept one or more payments of a fee, and whether or not such amounts are at the holdover rate specified above or the rate in effect as of the fifth (5th) anniversary of the Commencement Date of the License.

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

25.14 Cumulative Remedies. All rights and remedies of either party hereto set forth in this License shall be cumulative, except as may otherwise be provided herein.

25.15 Provisions of License Surviving Termination. Termination of this License shall 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 License. This Section and the following Sections of this License shall survive termination or expiration of the is License: Sections 2.1.4, 5, 6.7, 7, 12, 14, 17.2, 17.3, 18, , 23, 24.1, 24.2, 24.3, 24.5, 24.8, 24.9, 24.10, 24.11, 25.6, 25.7, 25.8, 25.9, 25.10, 25.11, 25.12, 25.14, 25.22, 25.26, 25.31.

25.16 Signs. Licensee agrees that it will not erect or maintain, or permit to be erected or maintained, any signs, notices or graphics upon or about the Premises which are visible in or from public corridors or other portions of any common areas of the Buildings or from the exterior of the Premises without City's prior written consent, which City may withhold or grant in its sole discretion.

25.17 Relationship of the Parties. City is not, and none of the provisions in this License shall be deemed to render City, a partner in Licensee's business, or joint venturer or member in any joint enterprise with Licensee. Neither party shall act as the agent of the other party in any respect hereunder. This License is not intended nor shall it be construed to create any third party beneficiary rights in any third party, unless otherwise expressly provided.

25.18 Light and Air. Licensee covenants and agrees that no diminution of light, air or view by any structure that may hereafter be erected (whether or not by City) shall entitle Licensee to any reduction of the Base Fee under this License, result in any liability of City to Licensee, or in any other way affect this License or Licensee's obligations hereunder.

25.19 No Recording. Licensee shall not record this License or any memorandum hereof in the public records.

25.20 Options Personal. Any right or option to extend the Term of this License or renew this License is personal to the original Licensee and may be exercised only by the original Licensee while occupying the Premises who does so without the intent of thereafter making any Assignment of this License or Subletting of the Premises, or any portion thereof, and may not be exercised by or assigned, voluntarily or involuntarily, by or to any person or entity other than Licensee. The options, if any, herein granted to Licensee are not assignable separate and apart from this License, nor may any option be separated from this License in any manner, either by reservation or otherwise.

25.21 Public Transit Information. Licensee shall establish and carry on during the Term a program to encourage maximum use of public transportation by personnel of Licensee employed on the Premises, including, without limitation, the distribution to such employees of written materials explaining the convenience and availability of public transportation facilities adjacent or proximate to the Buildings and encouraging use of such facilities, all at Licensee's sole expense.

25.22 Taxes, Assessments, Licenses, Permit Fees and Liens. (a) Licensee recognizes and understands that this License may create a possessory interest subject to property taxation and that Licensee may be subject to the payment of property taxes levied on such interest. (b) Licensee agrees to pay taxes of any kind, including possessory interest taxes, that may be lawfully assessed on the License interest hereby created and to pay all other taxes, excises, licenses, permit charges and assessments based on Licensee's usage of the Premises that may be imposed upon Licensee by law, all of which shall be paid when the same become due and payable and before delinquency. (c) Licensee agrees not to allow or suffer a lien for any such taxes to be imposed upon the Premises or upon any equipment or property located thereon without promptly discharging the same, provided that Licensee, if so desiring, may have reasonable opportunity to contest the validity of the same. (d) Licensee acknowledges that it is familiar with San Francisco Administrative Code Sections 23.38 and 23.39 which require that the City and County of San Francisco report certain information relating to this License, and any renewals thereof, to the County Assessor within sixty (60) days after any such transaction, and that Licensee report certain information relating to any assignment of or Sublicense under this License to the County Assessor within sixty (60) days after such assignment or Sublicense transaction. Licensee agrees to provide such information as may be requested by the City to enable the City to comply with this requirement.

25.23 Wages And Working Conditions. With respect to the construction of any Alterations, any employee performing services for Licensee shall be paid not less than the highest prevailing rate of wages as required by Section a7.204 of the City and County of San Francisco Charter and Sections 6.33 through 6.45 of the San Francisco Administrative Code, shall be subject to the same hours and working conditions, and shall receive the same benefits as in each case are provided for similar work performed in San Francisco, California. Licensee shall require any Licensee to provide, and shall deliver to City every two weeks during any construction period, certified payroll reports with respect to all persons performing labor in the construction of the Licensee improvement work or any Alterations on the Premises.

25.24 Non-discrimination in City Contracts and Benefits Ordinance.

25.24.1 Covenant Not to Discriminate. In the performance of this License, Licensee 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, height, weight, disability or Acquired Immune Deficiency Syndrome or HIV status (AIDS/HIV status) against any employee of, any City employee working with, or applicant for employment with, Licensee, in any of Licensee's operations within the United States, or against any person seeking accommodations, advantages, facilities, privileges, services, or membership in all business, social, or other establishments or organizations operated by Licensee.

25.24.2 Subcontracts. Licensee shall include in all assignment, subleases or other subcontracts relating to the Premises a non-discrimination clause applicable to such assignee, sublicensee or other subcontractor in substantially the form of subsection (a) above. In addition, Licensee shall incorporate by reference in all assignments, subleases, and other subcontracts the provisions of Sections 12B.2(a), 12B.2(c)-(k), and 12C.3 of the San Francisco Administrative Code and shall require all assignees, sublicensees and other subcontractors to comply with such provisions. Licensee's failure to comply with the obligations in this subsection shall constitute a material breach of this License.

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

25.24.4 HRC Form. As a condition to this License, Licensee shall execute the "Chapter 12B Declaration: Nondiscrimination in Contracts and Benefits" form (Form HRC-12B-101) with supporting documentation and secure the approval of the form by the San Francisco Human Rights Commission.

25.24.5 Incorporation of Administrative Code Provisions by Reference. The provisions of Chapters 12B and 12C of the San Francisco Administrative Code relating to non-discrimination by parties contracting for the License of City property are incorporated in this Section 26.26 by reference and made a part of this Agreement as though fully set forth herein. Licensee shall comply fully with and be bound by all of the provisions that apply to this License under such Chapters of the Administrative Code, including but not limited to the remedies provided in such Chapters. Without limiting the foregoing, Licensee understands that pursuant to Section 12B.2(h) of the San Francisco Administrative Code, a penalty of \$50 for each person for each calendar day during which such person was discriminated against in violation of the provisions of this License may be assessed against Licensee and/or deducted from any payments due Licensee.

25.25 Non-Liability of City Officials, Employees and Agents. No elective or appointive board, commission, member, officer, employee or other Agent of City shall be, personally liable to Licensee, its successors and assigns, in the event of any default or breach by City or for any amount which may become due to Licensee, its successors and assigns, or for any obligation of City under this Agreement.

25.26 No Relocation Assistance: Waiver of Claims. Licensee acknowledges that it will not be a displaced person at the time this License is terminated or expires by its own terms, and Licensee fully RELEASES, WAIVES AND DISCHARGES forever any and all Claims against, and covenants not to sue, City, its departments, commissions, officers, directors and employees, and all persons acting by, through or under each of them, under any laws, including, without limitation, any and all claims for relocation benefits or assistance from City under federal and state relocation assistance laws (including, but not limited to, California Government Code Section 7260 et seq.), except as otherwise specifically provided in this License with respect to a Taking.

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

25.28 Tropical Hardwood and Virgin Redwood Ban. The City and County of San Francisco urges companies not to import, purchase, obtain or use for any purpose, any tropical hardwood, tropical hardwood wood product, virgin redwood or virgin redwood wood product. Except as expressly permitted by the application of Sections 802(b) and 803(b) of the San Francisco

Environment Code, Licensee shall not provide any items to the construction of Alterations, or otherwise in the performance of this License which are tropical hardwoods, tropical hardwood wood products, virgin redwood, or virgin redwood wood products. In the event Licensee fails to comply in good faith with any of the provisions of Chapter 8 of the San Francisco Environment Code, Licensee shall be liable for liquidated damages for each violation in any amount equal to Licensee's net profit on the contract, or five percent (5%) of the total amount of the contract dollars, whichever is greater.

25.29 Pesticide Prohibition. Licensee shall comply with the provisions of Section 308 of Chapter 3 of the San Francisco Environment Code (the "Pesticide Ordinance") which (i) prohibit the use of certain pesticides on City property, (ii) require the posting of certain notices and the maintenance of certain records regarding pesticide usage and (iii) require Licensee to submit to the Municipal Transportation Agency an integrated pest management ("IPM") plan that (a) lists, to the extent reasonably possible, the types and estimated quantities of pesticides that Licensee may need to apply to the Premises during the terms of this License, (b) describes the steps Licensee will take to meet the City's IPM Policy described in Section 300 of the Pesticide Ordinance and (c) identifies, by name, title, address and telephone number, an individual to act as the Licensee's primary IPM contact person with the City. In addition, Licensee shall comply with the requirements of Sections 303(a) and 303(b) of the Pesticide Ordinance.

25.30 First Source Hiring Ordinance. The City has adopted a First Source Hiring Ordinance (Board of Supervisors Ordinance No. 264 98) which establishes specific requirements, procedures and monitoring for first source hiring of qualified economically disadvantaged individuals for entry level positions. Within thirty (30) days after the City and County of San Francisco the Municipal Transportation Agency adopts a First Source Hiring Implementation and Monitoring Plan in accordance with the First Source Hiring Ordinance, Licensee shall enter into a First Source Hiring Agreement that meets the applicable requirements of Section 83.9 of the First Source Hiring Ordinance.

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

25.32 Conflicts of Interest. Through its execution of this License, Licensee acknowledges that it is familiar with the provisions of Section 15.103 of the San Francisco Charter, Article III, Chapter 2 of City's Campaign and Governmental Conduct Code, and Section 87100 et seq. and Section 1090 et seq. of the Government Code of the State of California, and certifies that it does not know of any facts which would constitute a violation of said provision, and agrees that if Licensee becomes aware of any such fact during the term of this License Licensee shall immediately notify the City.

25.33 Charter Provisions. This License is governed by and subject to the provisions of the Charter of the City and County of San Francisco.

25.34 Prohibition of Tobacco Advertising. Licensee acknowledges and agrees that no advertising of cigarettes or tobacco products is allowed on any real property owned by or under the control of the City, including the Premises and the Property. This prohibition includes the placement of the name of a company producing selling or distributing cigarettes or tobacco products or the name of any cigarette or tobacco product in any promotion of any event or product. This prohibition does not apply to any advertisement sponsored by a state, local or nonprofit entity designed to communication

the health hazards of cigarettes and tobacco products or to encourage people not to smoke or to stop smoking.

25.35 Requiring Health Benefits for Covered Employees. Unless exempt, Licensee agrees to comply fully with and be bound by all of the provisions of the Health Care Accountability Ordinance (HCAO), as set forth in San Francisco Administrative Code Chapter 12Q, including the remedies provided, and implementing regulations, as the same may be amended from time to time. The provisions of Chapter 12Q are incorporated herein by reference and made a part of this License as though fully set forth. The text of the HCAO is available on the web at www.dph.sf.ca.us/HCRes/Resolutions/2004Res/HCRes102004.shtml. Capitalized terms used in this Section and not defined in this License shall have the meanings assigned to such terms in Chapter 12Q.

25.35.1 For each Covered Employee, Licensee shall provide the appropriate health benefit set forth in Section 12Q.3 of the HCAO. If Licensee chooses to offer the health plan option, such health plan shall meet the minimum standards set forth by the San Francisco Health Commission.

25.35.2 Notwithstanding the above, if the Licensee is a small business as defined in Section 12Q.3(d) of the HCAO, it shall have no obligation to comply with Subsection 25.35.1 above.

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

25.35.4 Any Subcontract entered into by Licensee shall require the Subcontractor to comply with the requirements of the HCAO and shall contain contractual obligations substantially the same as those set forth in this Section. Licensee shall notify City when it enters into such a Subcontract and shall certify to the City that it has notified the Subcontractor of the obligations under the HCAO and has imposed the requirements of the HCAO on Subcontractor through the Subcontract. Each Licensee shall be responsible for its Subcontractors' compliance with this Chapter. If a Subcontractor fails to comply, the City may pursue the remedies set forth in this Section against Licensee based on the Subcontractor's failure to comply, provided that City has first provided Licensee with notice and an opportunity to obtain a cure of the violation.

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

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

25.35.7 Licensee shall keep itself informed of the current requirements of the HCAO.

25.35.8 Licensee shall provide reports to the City in accordance with any reporting standards promulgated by the City under the HCAO, including reports on Subcontractors and Sublicensees, as applicable.

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

25.35.10 City may conduct random audits of Licensee to ascertain its compliance with HCAO. Licensee agrees to cooperate with City when it conducts such audits.

25.35.11 If Licensee is exempt from the HCAO when this License is executed because its amount is less than Twenty-Five Thousand Dollars (\$25,000), but Licensee later enters into an agreement or agreements that cause Licensee's aggregate amount of all agreements with City to reach Seventy-Five Thousand Dollars (\$75,000), all the agreements shall be thereafter subject to the HCAO. This obligation arises on the effective date of the agreement that causes the cumulative amount of agreements between Licensee and DPT to be equal to or greater than Seventy-Five Thousand Dollars (\$75,000) in the fiscal year.

25.36 Notification of Limitations on Contributions. Through its execution of this License, Licensee acknowledges that it is familiar with Section 1.126 of the San Francisco Campaign and Governmental Conduct Code, which prohibits any person who contracts with the City for the selling or leasing any land or building to or from the City whenever such transaction would require approval by a City elective officer or the board on which that City elective officer serves, from making any campaign contribution to the officer at any time from the commencement of negotiations for such contract until the termination of negotiations for such contract or three (3) months has elapsed from the date the contract is approved by the City elective officer, or the board on which that City elective officer serves. San Francisco Ethics Commission Regulation 1.126-1 provides that negotiations are commenced when a prospective Licensee first communicates with a City officer or employee about the possibility of obtaining a specific contract. This communication may occur in person, by telephone or in writing, and may be initiated by the prospective Licensee or a City officer or employee. Negotiations are completed when a contract is finalized and signed by the City and the Licensee. Negotiations are terminated when the City and/or the prospective Licensee end the negotiation process before a final decision is made to award the contract.

25.37 Preservative-Treated Wood Containing Arsenic. As of July 1, 2003, Licensee may not purchase preservative-treated wood products containing arsenic in the performance of this License unless an exemption from the requirements of Environment Code Chapter 13 is obtained from the Department of Environment under Section 1304 of the Environment Code. The term "preservative-treated wood containing arsenic" shall mean wood treated with a preservative that contains arsenic, elemental arsenic, or an arsenic copper combination, including, but not limited to, chromated copper arsenate preservative, ammoniac copper zinc arsenate preservative, or ammoniacal copper arsenate preservative. Licensee may purchase preservative-treated wood products on the list of environmentally preferable alternatives prepared and adopted by the Department of Environment. This provision does not preclude Licensee from purchasing preservative-treated wood containing arsenic for saltwater immersion. The term "saltwater immersion" shall mean a pressure-treated wood that is used for construction purposes or facilities that are partially or totally immersed in saltwater.

25.38 References. No reference to this License Agreement is necessary in any instrument or document at any time referring to the Agreement. Any future reference to the Agreement shall be deemed a reference to such document as amended hereby.

25.39 Counterparts. This License may be executed in two or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

25.40 NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS LICENSE, LICENSEE ACKNOWLEDGES AND AGREES THAT NO OFFICER OR EMPLOYEE OF CITY HAS AUTHORITY TO COMMIT CITY TO THIS LICENSE UNLESS AND UNTIL CITY'S BOARD OF SUPERVISORS SHALL HAVE DULY ADOPTED A RESOLUTION APPROVING THE TOWING AGREEMENT AND AUTHORIZING THE TRANSACTIONS CONTEMPLATED IN THIS LICENSE. THEREFORE, ANY OBLIGATIONS OR LIABILITIES OF CITY HEREUNDER ARE CONTINGENT UPON ADOPTION OF SUCH A RESOLUTION, AND THIS LICENSE SHALL BE NULL AND VOID IF CITY'S MAYOR AND THE BOARD OF SUPERVISORS DO NOT APPROVE THIS LICENSE, IN THEIR RESPECTIVE SOLE DISCRETION. APPROVAL OF THIS LICENSE BY ANY DEPARTMENT, COMMISSION OR AGENCY OF CITY SHALL NOT BE DEEMED TO IMPLY THAT SUCH RESOLUTION WILL BE ENACTED, NOR WILL ANY SUCH APPROVAL CREATE ANY BINDING OBLIGATIONS ON CITY.

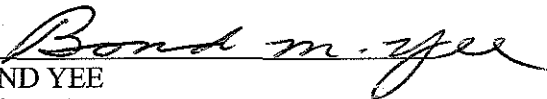
City and Licensee have executed this License as of the date first written above.

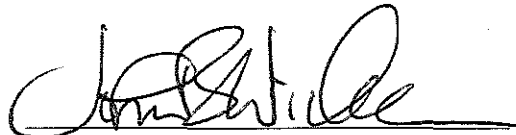
IN WITNESS WHEREOF, the parties hereto have executed this License on the day first mentioned above.

LICENSOR

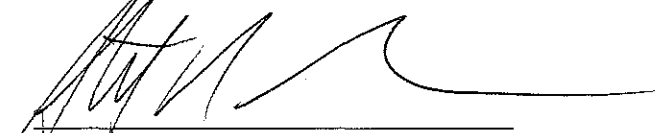
LICENSEE

Recommended by:


BOND YEE
Acting Director
Department of Parking and Traffic


JOHN WICKER
President and CEO
TEGSCO, LLC,
d.b.a. San Francisco AutoReturn
450 7th Street
San Francisco, CA 94103
Phone No.: 415-626-3380
Federal Employer ID No.: 01-0688299

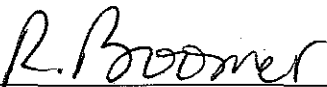
APPROVED:


Director of Transportation, Acting
Municipal Transportation Agency

Municipal Transportation Agency
Board of Directors
Resolution No. 05-085


Adopted: JUNE 7, 2005

Attest:


Secretary, MTA Board

Approved as to Form:

Dennis J. Herrera
City Attorney

By: 
Christiane Hayashi
Deputy City Attorney

LIST OF ATTACHMENTS

1. Description and Map of Premises
2. Notice of Licensee's Acceptance and Occupancy
3. Port Executive Director's Consent to License and Insurance
4. Hazardous Substance Disclosure

ATTACHMENT 1

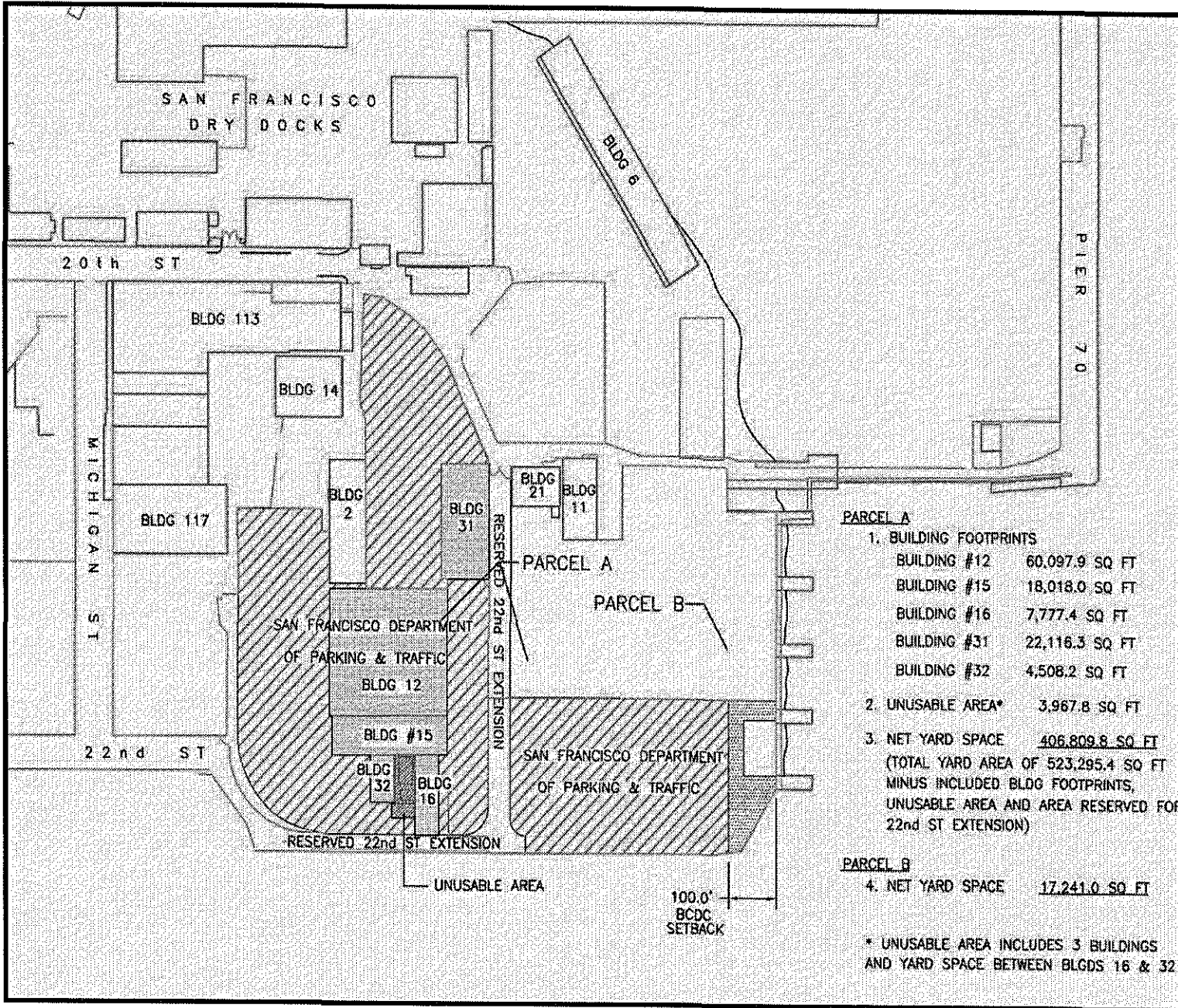
Description of Premises

a. Parcel A. The area located at Pier 70 and SWL 349 in the City and County of San Francisco, California, shown outlined and marked as Parcel A, including approximately 406,810 square feet of paved land and 112,518 square feet of shed space contained in 5 buildings, and 3,967.8 square feet of Unusable Area, and reserving a non-exclusive right of way in the general area shown on, as Reserved 22nd Street Extension, an area extending from the east end of 22nd Street through Parcel A and connecting with the east end of 20th Street, together with any improvements located thereon, all as shown as Parcel A in this Attachment A, Map of Premises (the "Parcel A Premises"). The Unusable Area of the Premises is subject to all terms and conditions of this License.

b. Parcel B. Subject to the obligation to obtain a permit from the San Francisco Bay Conservation and Development Commission ("BCDC") for the uses contemplated under this License and the MOU, Parcel B includes the area located at Pier 70 and SWL 349 in the City and County of San Francisco, California, shown outlined and marked Parcel B, including approximately 17,241 square feet of paved land, all as shown as Parcel B in this Attachment A, Map of Premises (the "Parcel B Premises").

c. Definition of Premises. The Parcel A Premises and the Parcel B Premises are hereinafter collectively referred to as the "Premises."

ATTACHMENT 1, continued
Map of Premises



ATTACHMENT 2
NOTICE OF CONDITIONAL ACCEPTANCE AND OCCUPANCY

[Date]

Mr. Steve Bell
Department of Parking and Traffic
Attention: Steve Bell
25 Van Ness Avenue, Suite 230
San Francisco, CA 94105

RE: Acknowledgement of Commencement Date under the License granted by the City and County of San Francisco (Licensor) to TEGSCO, LLC, d.b.a. San Francisco AutoReturn (Licensee) for a portion of the Pier 70.

Dear Mr. Bell:

This letter will confirm that, except as described below, for all purposes of the License identified as Appendix D to the Service Agreement and Property Use License for Towing, Storage, and Disposal of Abandoned and Illegally Parked Vehicles between the City and County of San Francisco and San Francisco AutoReturn, the Commencement Date (as defined in Section 4 of the License) is July 31, 2005. However, as of that date AutoReturn's acceptance of the Property is expressly made conditional upon (1) completion of a program acceptable to the City and AutoReturn to clean and seal all paved surfaces at Pier 70, and (2) completion of City's obligation to recondition the City Tow dismantling area at Pier 70, described in the Iris Environmental report dated April 21, 2005. This conditional acceptance shall not affect the base fee amount due under the Pier 70 License.

Please acknowledge your acceptance of this letter by signing and returning a copy of this letter.

Very truly yours,

By
Title

Auto Return

Accepted and Agreed:

By

STEVE BELL
Contract Administrator

Dated _____

ATTACHMENT 3

LETTER FROM PORT EXECUTIVE DIRECTOR TO DPT
ACCEPTING LICENSE
AND
LICENSEE'S INSURANCE
TO BE INSERTED HERE

ATTACHMENT 4

HAZARDOUS SUBSTANCES DISCLOSURE

Pier 70 Information Responsive to Your Requests (Our File No. 508500.00001) Holland & Knight LLP, June 27, 2000

Current Status Report on Pick Your Part/Pier 70 Issues (Our File No. 508500.00001) Holland & Knight LLP, August 2, 2000

Paving Plan and Environment Work Plan for Pick Your Part – August 24, 2000

Soil Remediation Report, Pick Your Part, Inc., Pier 70, Iris Environmental, December 12, 2000.

Asbestos Abatement Report Pick Your Part Inc. Pier 70, San Francisco Iris Environmental Job 00-147-B May, 22, 2001

Site History Report and Workplan City Tow Pier 70, Iris Environmental February 7, 2002

Soils Analysis Report and Mitigation Plan, City Tow, Pier 70, Iris Environmental, July 10, 2002

Certification Report, Pick Your Part, Inc. Pier 70, San Francisco, California, Iris Environmental December 19, 2003

Proposed Closure and Post-Closure Plan, Pick Your Part, February 19, 2004

Final Closure Report, Pick Your Part, March 22, 2004

Supplemental Investigation Report, Former Car Crusher Building, Former City Tow – Pier 70, Iris Environmental, March 3, 2005

Source Investigation Report, Potrero Power Plant for PG&E, Geomatrix, March 2004

Negative Declaration dated February 13, 1987, Amended March 4, 1987, by City and County of San Francisco Department of City Planning, for Project 86.671EC "Vehicle Towing Facil."

Site Investigation Report Former Crusher Building Pick Your Part, Inc. Pier 70, San Francisco, California, July 13, 2004

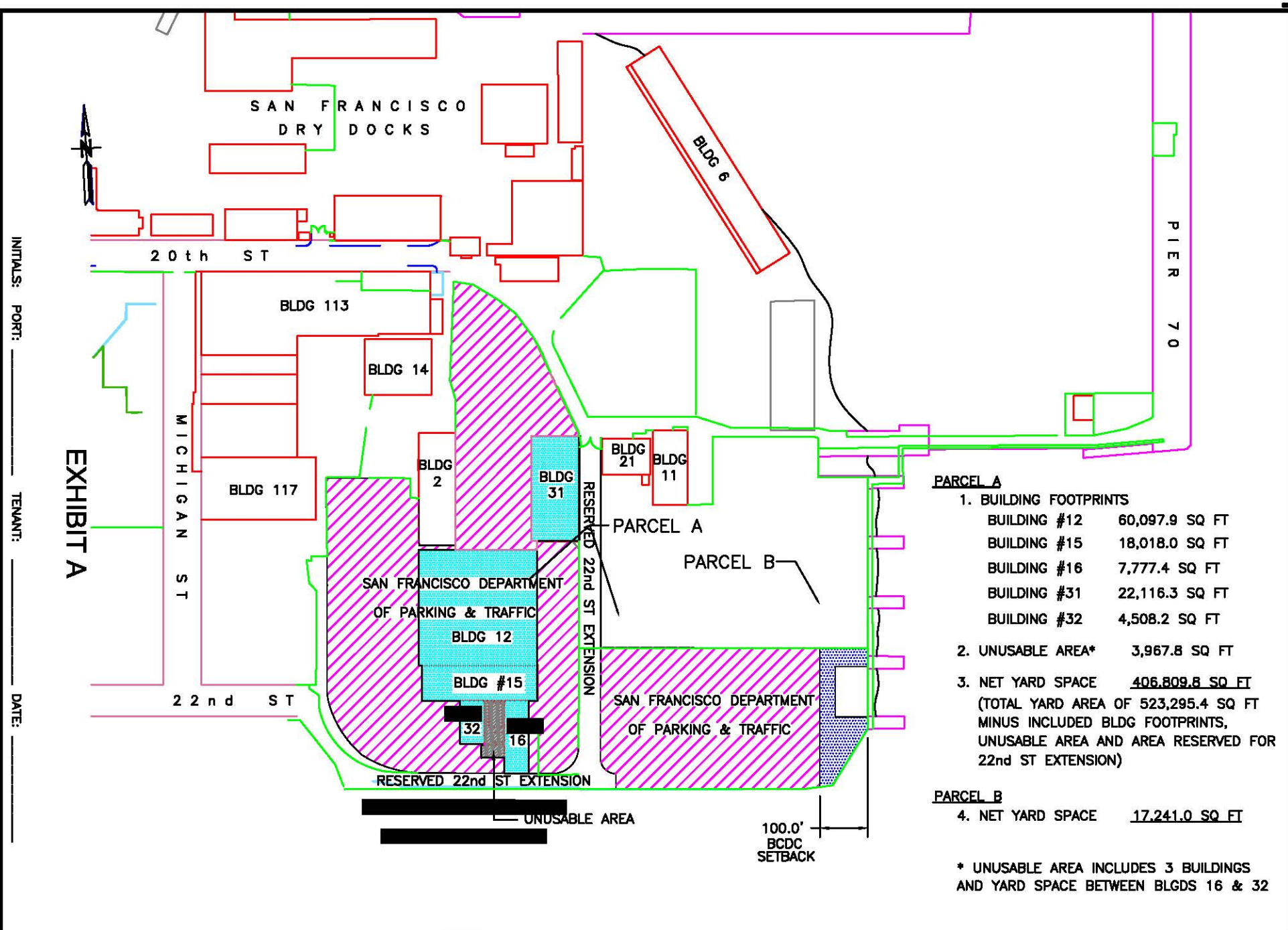


EXHIBIT A

INITIALS: PORT:

TENANT:

DATE:

PARCEL A

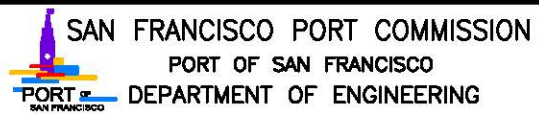
1. BUILDING FOOTPRINTS
 - BUILDING #12 60,097.9 SQ FT
 - BUILDING #15 18,018.0 SQ FT
 - BUILDING #16 7,777.4 SQ FT
 - BUILDING #31 22,116.3 SQ FT
 - BUILDING #32 4,508.2 SQ FT
2. UNUSABLE AREA* 3,967.8 SQ FT
3. NET YARD SPACE 406,809.8 SQ FT
 (TOTAL YARD AREA OF 523,295.4 SQ FT MINUS INCLUDED BLDG FOOTPRINTS, UNUSABLE AREA AND AREA RESERVED FOR 22nd ST EXTENSION)

PARCEL B

4. NET YARD SPACE 17,241.0 SQ FT

* UNUSABLE AREA INCLUDES 3 BUILDINGS AND YARD SPACE BETWEEN BLDGS 16 & 32

LEASE NO.
M-13828



TENANT
SAN FRANCISCO
DEPT. OF PARKING & TRAFFIC

DRAWN BY: ECC	DATE: APR 26, 2005
CHECKED BY: M LOZOVY	SCALE: 1" = 300'
PLACE CODE NO. 3490-OC-002	SHEET NO. OF SHEETS

First Amendment to the Revocable License for the Use of Certain Property on Pier 70, San Francisco, California

This First Amendment to the Revocable License for the Use of Certain Property on Pier 70, San Francisco, California (the "First Amendment") is entered into by and between the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation, acting by and through its Municipal Transportation Agency ("City" "SFMTA" or "Licensor"), and TEGSCO, LLC, a California limited liability company, d.b.a. San Francisco AutoReturn ("Licensee").

RECITALS

This First Amendment is made with reference to the following facts:

A. Effective on July 31, 2005, the San Francisco Port Commission ("Port") and SFMTA entered into a lease of certain real property located at Pier 70 in the City and County of San Francisco, State of California as more particularly described in a Memorandum of Understanding between the Port and SFMTA (the "Original MOU"). In accordance with the Original MOU, SFMTA simultaneously entered into the Service Agreement and Property Use License for Towing, Storage, and Disposal of Abandoned and Illegally Parked Vehicles with Licensee to conduct automobile towing and storage operations for the City (the "Original Agreement"), which included a license to use the Port property for storage and other required services (the "Original License"), to which Port consented as required by the Original MOU. The Original Towing Agreement expires on July 30, 2010. The Original MOU had a five-year term expiring on July 30, 2010 and an extension option through March 1, 2012. Through correspondence (including a letter dated February 17, 2009 from Port to SFMTA), Port and SFMTA agreed to extend the Original MOU until March 1, 2012.

B. SFMTA and Licensee executed a first amendment to the Original Agreement in June of 2007, which included a change in the rate schedule for towing. SFMTA and Licensee have now decided to enter into an Amended and Restated Service Agreement and Property Use License for Towing, Storage, and Disposal of Abandoned and Illegally Parked Vehicles (the "Towing Agreement"), which will further amend the Original Agreement, including an extension of the term until July 31, 2015, without a competitive bid, subject to approval by the Board of Supervisors.

C. The Original MOU contemplated that it would be concurrent with the Original Agreement. Thus SFMTA and Port now intend to enter into a First Amendment to the Original MOU to extend the MOU until July 31, 2015, or longer, to cover any additional term with Licensee or another SFMTA contractor. Port and the SFMTA will also amend the Original MOU to reflect the Port's decision to issue a competitive solicitation for a private development partner for the waterfront site that includes the Premises leased to SFMTA through the Original MOU. Specifically, Port and SFMTA intend to amend the Original MOU to: (i) permit the Port, with SFMTA's approval, to reconfigure the Premises with one hundred-eighty (180) days notice from Port to MTA, and partial rent credits for some relocation costs; (ii) add an additional five (5) year term from the original expiration date and to allow a year to year holdover tenancy at an increased monthly base rate of 110% in the first year, and increased by 110% in the eighteenth month, with an annual CPI increase in each year of the term and annually during any holdover period of longer than 12 months; (iii) provide for partial or complete termination by either party with twelve (12) months notice; (iv) allow Port to access up to 15% of the Premises to facilitate development of Pier 70, with ninety (90) days notice from Port to MTA, with rent credits or third party reimbursement for specified relocation costs; (v) require MTA to conduct a relocation study; (vi) add a requirement that MTA comply with Port's Southern Waterfront Beautification Policy, which was adopted subsequent to the effectiveness of the Original MOU, through specified actions and to authorize rent credits for a portion of same; and (vii) make other changes consistent with the above.

D. In light of the pending extension of the terms of both the Original Agreement and the Original MOU, and in light of the other contemplated changes to the Original MOU, SFMTA and

Licensee now wish to amend the Original License to extend the term until July 31, 2015, and to conform with the other changes contained in the First Amendment to the Original MOU.

E. The Original License and this First Amendment shall collectively be referred to as the "License." All capitalized terms used herein but not otherwise defined shall have the meaning given to them in the Original License.

NOW THEREFORE, in consideration of the mutual covenants herein contained and for other good and valuable consideration, the Port and SFMTA hereby amend the Original MOU as follows:

1. Recitals. The foregoing recitals are true and correct and are incorporated herein by this reference as if fully set forth herein.
2. The parties agree that SFMTA is the successor to DPT and that SFMTA will fulfill all of the obligations and responsibilities and have all of the rights of SFMTA as set forth in the Original License. All references in the License to "DPT" shall now be to "SFMTA".
3. On the Effective Date of this First Amendment, the introductory paragraph to the License shall be deleted and replaced with the following:

THIS REVOCABLE LICENSE TO ENTER AND USE PROPERTY ("License"), between the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation, acting by and through its Municipal Transportation Agency, Department of Parking and Traffic ("City" "SFMTA" or "Licensor"), and TEGSCO, LLC, a California limited liability company, d.b.a. San Francisco AutoReturn ("Licensee") is Appendix D to the Service Agreement and Property Use License for Towing, Storage and Disposal of Abandoned and Illegally Parked Vehicles between City and Licensee, (hereinafter "Towing Agreement"), which is incorporated herein by reference as if fully set forth herein. Any capitalized term not defined herein shall have the meaning set forth in the Towing Agreement and the Memorandum of Understanding No. M-13828 between SFMTA and the San Francisco Port Commission (the "Port"), as amended from time to time, a copy of which is attached as Appendix C to the Towing Agreement (the Original MOU and all of its amendments are collectively the "MOU"), and which is incorporated by reference as though fully set forth herein. Consent to this License by the Executive Director of the Port of San Francisco is attached hereto as Attachment 3.

4. On the Effective Date of this First Amendment, Paragraph 1 of the License shall be deleted and replaced with the following:

1. BASIC LICENSE INFORMATION

The following is a summary of Basic License information (the "Basic License Information"). Each item below shall be deemed to incorporate all of the terms in this License pertaining to such item. In the event of any conflict between the information in this Section and any more specific provision of this License, the more specific provision shall control.

Licensor: CITY AND COUNTY OF SAN FRANCISCO, A MUNICIPAL CORPORATION THROUGH ITS SAN FRANCISCO MUNICIPAL TRANSPORTATION AGENCY

Licensee: TEGSCO, LLC, d.b.a. SAN FRANCISCO AUTORETURN, A CALIFORNIA LIMITED LIABILITY COMPANY

Buildings (Section 2.1): Building 12, Building 15, Building 16, Building 31 and Building 32, all located at Seawall Lot 349, Pier 70, San Francisco, California (collectively, the "Buildings").

Premises (Section 2.1): Certain portions of Seawall Lot 349, located at Pier 70, all as shown on Attachment 1

Term (Section 4): Commencement Date: August 1, 2005.
Expiration Date: July 31, 2015, or upon the date of earlier termination pursuant to Paragraph 4 of this License.

Base Fee (Section 5): Monthly License Fee: \$118,830.00 for Parcel A and \$2,850 for Parcel B, both as shown on Attachment 1.

Permitted Use (Section 6.1): Parking space for the storage and transfer of vehicles, public lien sale auctions and office space for the administration of Licensee's operations under the Towing Agreement.

Utilities and Services (Section 10): Provided and paid by Licensee.

Security (Section 6.5): Licensee shall be solely responsible for the security of the Premises.

Security Deposit (Section 24.10): Security Deposit shall be maintained in accordance with the terms of Section 12 [Financial Assurances] of the Towing Agreement and Section 6 of the MOU.

Notices to the Parties: (Section 25.1) Any notice, demand, consent or approval required under Sections 4 (Term), 5 (Fee), 6.1 (Permitted Use), 6.7 (Fines), 7.5 (Removal of Alterations), 11.2.1 (Regulatory Approvals-Responsible Party), 14 (Damage and Destruction), 16 (Assignment and Subletting), 17 (Default; Remedies), 18 (Waiver of Claims; Indemnification), 19 (Insurance), 23 (Surrender of Premises), or 24 (Hazardous Materials) of this License must be sent by first class certified U.S. mail with return receipt requested, or by overnight courier, return receipt requested, with postage pre-paid. All other written communications, unless otherwise indicated elsewhere in this License, may be by first class U.S. mail, by email, or by fax. All communications related to this License shall be addressed as follows:

To Licensee: San Francisco AutoReturn
Attention: John Wicker
945 Bryant Street
San Francisco, CA 94103
Phone No.: (415) 575-2355
Fax No.: (415) 575-2341
Email: jwicker@autoreturn.com

To City: San Francisco Municipal Transportation Agency
Attention: Lorraine Fuqua
1 South Van Ness Avenue, Suite 800
San Francisco, CA 94102
telephone: 415-701-4678
facsimile: 415-701-4736
Email: lorraine.fuqua@sfmta.com

and to:

Director of Real Estate
Port of San Francisco
Pier 1
San Francisco, CA 94111
telephone: (415) 274-0510
facsimile: (415) 274-0578

5. On the Effective Date of this First Amendment, Paragraph 2.1.3 of the License shall be deleted and replaced in its entirety as follows:

2.1.3 Upon request from Port to SFMTA, and upon one hundred and twenty (120) days notice from SFMTA, City may, at City's sole and absolute discretion, reconfigure the Premises by altering the boundaries of Parcel A and/or Parcel B such that the new Parcel A and/or Parcel B contain the same approximate square footage; provided, however, that such modification shall not materially interfere with Licensee's ability to meet its obligations under the Towing Agreement unless such modification is required under the MOU. Before reconfiguring the Premises upon a request from Port, SFMTA shall confer with Licensee to determine the impact of the potential reconfiguration on Licensee's operations. After such conference, SFMTA shall give serious consideration to any request from Licensee that SFMTA ask the Port to modify the proposed reconfiguration, or that SFMTA exercise its right under Section 3(f) of the MOU to reject the proposed reconfiguration. If City modifies the original configuration of the Pier 70 Premises, Licensee shall be solely responsible for relocating vehicles and its other operations to accommodate such a reconfiguration. Licensee shall be entitled to rent credits for half of the costs associated with relocating the fences, gates, lights, driveways, and other improvements pursuant to Section 5.7. City shall not be liable in any manner, and Licensee hereby waives any claims, for any inconvenience, disturbance, loss of business, nuisance or other damage arising out of SFMTA's, Port's, or their designees' entry onto the Premises under this Paragraph, except damage resulting directly and exclusively from the gross negligence or willful misconduct of SFMTA, Port or its designees and not contributed to by the acts, omissions or negligence of Port, SFMTA or their licensees, Contactors or Invitees.

In order for rent credits to be authorized by SFMTA for relocation costs under this Section, Licensee must first obtain written approval from SFMTA that the proposed costs are reasonable and Licensee must obtain all required governmental approvals including, but not limited to Port building permits for the work. After the completion of the work, as evidenced by a certificate of completion or its equivalent by the Port's Chief Harbor Engineer, Licensee must deliver to SFMTA an itemized statement of the actual costs expended, accompanied by documentation substantiating all said expenditures. Such documentation of expenditures shall include: (i) copies of executed contracts; (ii) copies of invoices for labor, services and/or materials, copies of bills of lading, and/or copies of other bills or receipts for goods, materials and/or services; (iii) copies of canceled checks, and (iv) such other proofs of expenditure as may be reasonably requested by SFMTA. Such appropriate proofs of expenditure may include copies of canceled checks; copies of contracts or invoices for labor, services and/or materials marked "Paid", or otherwise evidenced as having been paid bills of lading marked "Paid"; other bills, contracts, receipts for goods materials and/or services marked "Paid" and such other proofs of expenditure as may be reasonably approved by SFMTA. All such proofs of expenditure must be directly attributable to the approved project.

6. On the Effective Date of this First Amendment, Paragraph 2 of the License shall be amended to add a new paragraph 2.1.6 as follows:

2.1.6 Proximity of Development Project. Licensee acknowledges that during the Term, the Pier 70 Development Project is scheduled to be, or may be, constructed on property in the immediate vicinity of the Property. Licensee is aware that the construction of such project and the activities associated with such construction will generate certain adverse impacts which may result in some inconvenience to or disturbance of Licensee. Impacts may include, but are not limited to, increased

vehicle and truck traffic, traffic delays and re-routing, loss of street and public parking, dust, dirt, construction noise and visual obstructions. Licensee hereby waives any and all Claims against Port, City and their Agents arising out of such inconvenience or disturbance.

7. On the Effective Date of this First Amendment, Paragraph 3.1 of the License shall be deleted and restated in its entirety as follows:

3.1 Inspection of Property. Licensee represents and warrants that Licensee has conducted a thorough and diligent inspection and investigation of the Property and the suitability of the Property for Licensee's intended use, either independently or through its officers, directors, employees, agents, affiliates, subsidiaries licensees and contractors, and their respective heirs, legal representatives, successors and assigns, and each of them. Licensee is fully aware of the needs of its operations and has determined, based solely on its own investigation, that the Property is suitable for its operations and intended uses. Licensee acknowledges receipt of the FEMA disclosure notice attached hereto as Attachment 1A.

8. On the Effective Date of this First Amendment, Paragraph 4 of the License shall be deleted and restated in its entirety as follows:

4. TERM, EARLY TERMINATION, HOLDOVER

4.1 Term. The privilege given to Licensee pursuant to this License is temporary only and shall commence upon August 1, 2005, described in the Basic License Information as the Commencement Date (the "Commencement Date"). The term of this License shall run from the Commencement Date through July 31, 2015, or the date of earlier termination of this License pursuant to the terms of this License or the Towing Agreement, whichever date is earlier (the "Expiration Date"). City shall deliver the Premises to Licensee on the Commencement Date in their then-existing as-is condition as further provided above, with no alterations being made by City. Promptly following execution of this License, Licensee shall deliver to City a notice substantially in the form of Attachment 2, but Licensee's failure to do so shall not affect the commencement of the Term.

4.1 Early Termination. Without limiting any of its rights hereunder, City may at its sole option freely terminate this License as to all or a portion of the Premises without cause and without any obligation to pay any consideration to Licensee. In the event that City terminates this License as to a portion of the Premises under this Paragraph, rent will be reduced in proportion to the amount of square footage removed from the Premises and Licensee shall be solely responsible for all costs associated with such modifications or reconfiguration that SFMTA in its sole discretion deems necessary, including all costs incurred to relocate the operations, Premises, fences, gates, lights, driveways, and other improvements; provided, however, that SFMTA shall make good faith efforts to reach an agreement with Licensee regarding the nature and extent of such necessary modifications or reconfiguration.

Licensee may request that SFMTA terminate this License as to all or a portion of the Premises at any time by presenting the SFMTA with a proposal that includes the justification for such early termination. SFMTA shall give serious consideration to the proposal, and shall negotiate in good faith with Licensee to reach agreement regarding the proposal. Should SFMTA, after consideration of Licensee's proposal, determine that termination of all or a portion of the Premises is in SFMTA's best interest, SFMTA shall exercise its right under Section 4(c) of the MOU to terminate the MOU as to all or a portion of the Premises upon twelve (12) months written notice.

4.2 Holdover. The Term of this License may be extended in accordance with Section 4 of the MOU. The definition "Term" shall refer to the total time period during which this License exists as a legally binding agreement between the parties, including any extension period, as defined in the MOU.

9. On the Effective Date of this First Amendment, Paragraph 5.2 of the License shall be deleted and restated in its entirety as follows:

5.2 Adjustments in the Base Fee. The Base Fee shall be adjusted as provided in Section 5(b) of the MOU. The Base Fee for any extension period shall be determined as provided in Section 5(c) of the MOU.

10. On the Effective Date of this First Amendment, Paragraph 5.7.1 of the License shall be deleted and restated in its entirety as follows:

5.7.1 If the Premises ceases to be used for towing operations at any time due to damage sustained during the Term by fire, earthquake, or other casualty rendering the Premises unsuitable for occupancy as determined by the Director of Building Inspection pursuant to the San Francisco Building Code, or are otherwise deemed legally not useable for any reason, in either case for reasons not attributable to Licensee's acts or omissions, Licensee shall be entitled to an abatement in Base Fee to the same extent that SFMTA receives a Rent abatement pursuant to Section 5(d)(1) of the MOU.

11. On the Effective Date of this First Amendment, Paragraph 5.7.2 of the License shall be deleted and restated in its entirety as follows:

5.7.2 Licensee shall be entitled to an abatement in the Base Fee if the City's exercise of any rights reserved in section 13(b) of the MOU result in Licensee's loss of use of the Premises for more than thirty (30) days or in an area greater than 250 square feet, or if Licensee surrenders the possession of Parcel B to the Port for the sole reason that it is unable to obtain a BCDC permit for use of Parcel B consistent with the MOU; provided, however, that if Licensee fails to satisfy the condition of obtaining BCDC approval for use of Parcel B, and surrenders possession of Parcel B to the Port, Licensee shall install and maintain Port approved fencing along the adjusted perimeter of the Premises. The opening of 22nd Street by the Port for non-exclusive, general circulation through the Pier 70 area may occur at the City's sole option without Base Fee abatement.

12. On the Effective Date of this First Amendment, Paragraph 5.7.3 of the License shall be deleted and restated in its entirety as follows:

5.7.3 Upon seventy-five (75) days prior written notice to Licensee, Port may access up to fifteen percent (15%) of the Premises for purposes related to the development of Pier 70 by Port. Licensee will cooperate to ensure that Port or its licensees, Contactors or Invitees have adequate access to the designated area(s) and Licensee shall be solely responsible for costs incurred by Licensee to relocate vehicles or its other operations to accommodate Port's access. Licensee shall be entitled to rent credits pursuant to Section 5.7.2 or third-party reimbursement arranged by Port for all costs incurred by Licensee to relocate fences, gates, lights, driveways, and other improvements. SFMTA may not require Licensee to incur relocation costs that are eligible for rent credits under this section if One Hundred Fifty percent (150%) of the total value of all rent credits claimed under this MOU exceeds the total rent due for the Term. Notwithstanding the time and square footage limitations of Paragraph 5.7.2, if the rights exercised by Port hereunder result in the loss of use of the designated area(s) of the Premises, Licensee shall be entitled to a proportional abatement in Rent. SFMTA shall not be liable in any manner, and Licensee hereby waive any claims, for any inconvenience, disturbance, loss of business, nuisance or other damage arising out of SFMTA's or Port's or its designees' entry onto the Premises under this Paragraph, except damage resulting directly and exclusively from the gross negligence or willful misconduct of City or its designees and not contributed to by the acts, omissions or negligence of City or its licensees, Contactors or Invitees.

In order for rent credits or third party reimbursement to be authorized by SFMTA for relocation costs under this section, Licensee must first obtain written approval from Port that the proposed costs are reasonable and MTA or its licensee must obtain all required governmental approvals including, but not limited to Port building permits for the work. After the completion of the work, as evidenced by a certificate of completion or its equivalent by the Port's Chief Harbor Engineer, Licensee must deliver to SFMTA an itemized statement of the actual costs expended, accompanied by documentation substantiating all said expenditures. Such documentation of expenditures shall include: (i) copies of executed contracts; (ii) copies of invoices for labor, services and/or materials, copies of bills of lading, and/or copies of other bills or receipts for goods, materials and/or services; (iii) copies of canceled checks, and (iv) such other proofs of expenditure as may be reasonably requested by SFMTA. Such appropriate proofs of expenditure may include copies of canceled checks; copies of contracts or invoices for labor, services and/or materials marked "Paid" or otherwise evidenced as having been paid; bills of lading

marked "Paid"; other bills, contracts, receipts for goods materials and/or services marked "Paid"; and such other proofs of expenditure as may be reasonably approved by SFMTA. All such proofs of expenditure must be directly attributable to the approved project.

13. On the Effective Date of this First Amendment, Paragraph 6.7 of the License shall be deleted and restated in its entirety as follows:

6.7 Additional Charges. Without limiting City's other rights and remedies set forth in this License, if Licensee violates any of the following provisions governing its use of the Premises contained in this License or the Towing Agreement, SFMTA may impose a charge of \$300 per day during which Licensee is in violation of any of the specified provisions: License sections 2, 6, 7, 8, 11, 19, 22, 24; Towing Agreement section 12.2. SFMTA may also impose this fine for Licensee's failure to submit any documents, reports or other items as and when required by any provision of this License.

The additional charges described in this Section 6.7 shall run from the date of City's notice to Licensee of the violation and shall continue until the violation is cured. All such accrued amounts under this Section shall be payable to City monthly in arrears at the same time, place and manner as the Base Fee is payable unless otherwise specified herein. City shall have the same remedies for a default in the payment of any such amounts as for a default in the payment of Base Fee. The parties agree that the charges described above represent a fair and reasonable estimate of the administrative cost and expense which City will incur due to such violations by reason of its inspections, issuance of charges and other costs.

If SFMTA notifies Licensee of the imposition of a charge under this Section based upon a notice of violation that was initiated by the Port and communicated to SFMTA, Licensee may appeal such charge to the Port Director within fourteen (14) days of the notice with evidence supporting Licensee's claim for relief from the charge imposed. The Port Director will respond within fourteen (14) days. Any failure of the Port Director to respond within the fourteen (14) day period shall be deemed a rejection of Licensee's claim for relief from the charges. If SFMTA initiates notice of a charge under this Section, Licensee may appeal such charge to the Executive Director of SFMTA within fourteen (14) days of the notice with evidence supporting Licensee's claim for relief from the charge imposed. The Executive Director of SFMTA will respond within fourteen (14) days. Any failure of the Director of SFMTA to respond within the fourteen (14) day period shall be deemed a rejection of Licensee's claim for relief from the charges imposed. The provisions of Section 46 of the Towing Agreement shall not apply to charges imposed under this Section.

City's right to impose the foregoing charges shall be in addition to and not in lieu of any and all other rights under this License or at law or in equity; provided, however, that City agrees that once it has declared an "Event of Default" pursuant to Section 17 of this License, it will no longer impose any new charges with respect to such default. City shall have no obligation to Licensee to impose charges on or otherwise take action against any other person.

14. On the Effective Date of this First Amendment, Paragraph 7.1 of the License shall be deleted and restated in its entirety as follows, subparagraphs 7.1.1, 7.1.2 and 7.1.3 shall remain unchanged:

7.1 Licensee's Alterations. Licensee shall not make, nor cause or suffer to be made, any alterations, installations, improvements, or additions to any improvements or to the Property (including demolition or removal), installations, additions or improvements to the Property, including but not limited to the installation of any appurtenances or trade fixtures affixed to the Property, constructed by or on behalf of Licensee pursuant to the Towing Agreement, or any trailers, signs, roads, trails, driveways, parking areas, curbs, walks fences walls, stairs, poles, plantings or landscaping, (collectively, "Improvements" or Alterations," which words are interchangeable as used in this License) without first obtaining SFMTA's written approval and then obtaining a permit therefor from the San Francisco Port Commission's Engineering Department pursuant to the Port Building Code, with respect to the Property, and any other permits or approvals as the Chief Harbor Engineer of the San Francisco Port Commission deems necessary, with respect to the Property; and any required approvals of regulatory agencies having

jurisdiction over the Property. All Alterations shall be done at Licensee's expense in accordance with plans and specifications approved by City, only by duly licensed and bonded contractors or mechanics approved by City, and subject to any conditions that City may reasonably impose. City may require Licensee, at Licensee's expense, to obtain the prior written approval of City's Arts Commission with respect to any Alterations, to the extent the Arts Commission has jurisdiction over the design of such proposed alterations under City's Charter Section 5.103. Licensee shall pay to Port any applicable permit fees for such Alterations in accordance with standard permit fees generally charged to Port tenants, as adopted by the Port Commission. All Alterations shall be subject to the following conditions:

15. On the Effective Date of this First Amendment, Paragraph 7.2 of the License shall be deleted and restated in its entirety as follows:

7.2 Title to Improvements. Except for Licensee's Personal Property (as described in Section 7.3), or as may be specifically provided to the contrary in approved plans, all Alterations, equipment, or other property attached or affixed to or installed in the Premises at the Commencement Date or, by Licensee with the advance approval of City during the Term, shall, at City's sole discretion, remain City's property without compensation to Licensee or be removed at the termination of this License. Licensee may not remove any such Alterations at any time during or after the Term unless City so requests pursuant to Section 23 [Surrender of Premises], below.

16. On the Effective Date of this First Amendment, Paragraph 14.5 of the License shall be deleted and restated in its entirety as follows:

14.5 Licensee Waiver. City and Licensee intend that the provisions of this Section govern fully in the event of any damage or destruction and accordingly, City and Licensee each hereby waives the provisions of Section 1932, subdivision 2, and Section 1933, subdivision 4, of the Civil Code of California or under any similar law, statute or ordinance now or hereafter in effect, to the extent such provisions apply.

17. On the Effective Date of this First Amendment, Paragraph 18.2 of the License shall be deleted and restated in its entirety as follows:

18.2 Licensee's Indemnity. Except as provided in Sections 24.3 and 24.8, below, Licensee, on behalf of itself and its successors and assigns, shall indemnify, defend and hold harmless ("Indemnify") the City and County of San Francisco including, but not limited to, all of its boards; commissions, departments, agencies and other subdivisions, and all of its and their Agents, and their respective heirs, legal representatives, successors and assigns (individually and collectively, the "Indemnified Parties"), and each of them, from and against any and all liabilities, losses, costs, claims, judgments, settlements, damages, liens, fines, penalties and expenses, including, without limitation, direct and vicarious liability of every kind (collectively, "Claims"), incurred in connection with or arising in whole or in part from: (a) any accident, injury to or death of a person, including, without limitation, employees of Licensee, or loss of or damage to property, howsoever or by whomsoever caused, occurring in or about the Property or on Port streets or other Port property adjacent to the Property; (b) any default by Licensee in the observation or performance of any of the terms, covenants or conditions of this License to be observed or performed on Licensee's part; (c) the use or occupancy or manner of use or occupancy of the Premises by Licensee, its Agents or Invitees or any person or entity claiming through or under any of them; (d) the condition of the Premises; (e) any construction or other work undertaken by Licensee on the Premises whether before or during the Term of this License; or (f) any acts, omissions or negligence of Licensee, its Agents or Invitees, in, on or about the Premises, the Property, or on Port streets or other Port property adjacent to the Property, all regardless of the active or passive negligence of, and regardless of whether liability without fault is imposed or sought to be imposed on, the Indemnified Parties, 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 License and further except only such Claims as are caused exclusively by the willful misconduct or gross negligence of the Indemnified Parties. The foregoing Indemnity shall include, without limitation, reasonable fees of attorneys, consultants and experts and related costs and City's costs of investigating any Claim. Licensee specifically acknowledges and agrees that it has an immediate and independent obligation to defend the City from any claim which actually or

potentially falls within this indemnity provision even if such allegation is or may be groundless, fraudulent or false, which obligation arises at the time such claim is tendered to Licensee by City and continues at all times thereafter. Licensee's obligations under this Section shall survive the termination of the License.

Licensee's indemnity under this Section 18.2 relating to "Port streets or other Port property adjacent to the Property" and for claims not expressly limited to occurring at the Premises as set forth in this Section 18.2 applies only to the extent that such claims arise directly or indirectly out of Licensee's, its Agent's or Invitee's acts, omissions or negligence relating to this License or the Premises.

18. On the Effective Date of this First Amendment, Paragraph 24.3 of the License shall be deleted and restated in its entirety as follows:

24.3 Licensee's Environmental Indemnity. If Licensee breaches any of its obligations contained in this Section 24, or, if any act, omission or negligence of Licensee, its Agents, Employees or Invitees, results in any Release of Hazardous Material in, on or under any part of the Buildings, the Premises, or Port streets or Port property adjacent to the Property, then, Licensee shall, on behalf of itself and its successors and assigns, Indemnify the City from and against all Claims (including, without limitation, claims for injury to or death of a person, damages, liabilities, losses, judgments, penalties, fines, regulatory or administrative actions, damages for decrease in value of the Buildings, Premises, or Port streets or other Port property adjacent to the Property, the loss or restriction of the use of rentable or usable space or of any amenity of the Buildings, Premises, or Port streets or other Port property adjacent to the Property, damages arising from any adverse impact on marketing of any such space, restoration work requested by Port or required by any federal, state or local governmental agency or political subdivision because of Hazardous Material present in the soil or groundwater in, on or under the Premises or Port streets or other Port property adjacent to the Property or in any Improvements, and sums paid in settlement of claims, attorneys' fees, consultants' fees and experts' fees and costs) arising during or after the Term of the Towing Agreement and relating to such breach or Release. The foregoing Indemnity includes, without limitation, costs incurred in connection with activities undertaken to Investigate and Remediate any Release of Hazardous Material, and to restore the Buildings, Premises or Port streets or other Port property adjacent to the Property to their prior condition. This indemnification of Port and City by Licensee includes, but is not limited to, costs incurred in connection with any investigation of site conditions or any clean-up, remediation, removal or restoration work requested by Port or required by any federal, state or local governmental agency or political subdivision because of Hazardous Material present in the soil or groundwater in, on or under the Premises or Port streets or other Port property adjacent to the Property or in any Alterations. Licensee's obligations hereunder shall survive the termination of the Towing Agreement. Licensee's obligations under this section do not include an indemnity for Claims arising as a result of Hazardous Materials (or other conditions alleged to be in violation of any Environmental Law) in, on, or under any part of the Buildings, Premises or Port streets or other Port property adjacent to the Property that were present on March 22, 2004, to the extent that such Claims relate to conditions existing prior to March 22, 2004, and except to the extent that Licensee exacerbates any pre-existing condition. In the event any action or proceeding is brought against City by reason of a claim arising out of any Loss, Claim, injury or damage suffered on or about the Buildings, Premises or Port streets or other Port property adjacent to the Property for which Licensee has Indemnified the City and upon written notice from the City, Licensee shall at its sole expense answer and otherwise defend such action or proceeding using counsel approved in writing by the City. The City shall have the right, exercised in its sole discretion, but without being required to do so, to defend, adjust, settle or compromise any claim, obligation, debt, demand, suit or judgment against the City in connection with this License or the Buildings, Premises or Port streets or other Port property adjacent to the Property. In the event any action or proceeding is brought against Licensee by reason of a Claim arising out of any Loss, injury or damage suffered on or about the Buildings, Premises or Port streets or other Port property adjacent to the Property for which the City has Indemnified Licensee, and upon written notice from Licensee, City shall at its sole expense answer and otherwise defend such action or proceeding. The Licensee shall have the right, exercised in its sole discretion, but without being required to do so, to defend, adjust, settle or compromise any claim, obligation, debt demand, suit of judgment against the

Licensee in connection with this Agreement or the Buildings, Premises or Port streets or other Port property adjacent to the Property. The provisions of this paragraph shall survive the termination of this Agreement with respect to any Loss occurring prior to or upon termination. Licensee and City shall afford each other a full opportunity to participate in any discussions with governmental regulatory agencies regarding any settlement agreement, cleanup or abatement agreement, consent decree, or other compromise or proceeding involving Hazardous Material.

Licensee's indemnity for Release of Hazardous Material under this Section 24.3 relating to "Port streets or other Port property adjacent to the Property" and for claims not expressly limited to occurring at the Premises as set forth in this Section 24.3 applies only to the extent that such claims arise directly or indirectly out of Licensee's, its Agent's or Invitee's acts, omissions or negligence relating to this License or the Premises.

19. On the Effective Date of this First Amendment, Paragraph 24.9.3 of the License shall be deleted and restated in its entirety as follows:

24.9.3 Notification of Regulatory Actions.

- (a) Licensee shall immediately notify City in writing of any inspection by any governmental or regulatory agency with jurisdiction over Hazardous Materials and shall provide City with a copy of any inspection record, correspondence, reports and related materials from or to the agency.
- (b) Licensee must notify City of any meeting, whether conducted face-to-face or telephonically, between Licensee and any regulatory agency regarding an environmental regulatory action. Port will be entitled to participate in any such meetings at its sole election.
- (c) Licensee must notify City of any environmental regulatory agency's issuance of an environmental regulatory approval. Licensee's notice to City must state the issuing entity, the environmental regulatory approval identification number, and the date of issuance and expiration of the environmental regulatory approval. In addition, Licensee must provide City with a list of any environmental regulatory approval, plan or procedure required to be prepared and/or filed with any regulatory agency for operations on the Property, including a "Spill Pollution Control and Countermeasure Plan." Licensee must provide City with copies of any of the documents within the scope of this Section upon City's request.
- (d) Licensee must provide City with copies of all communications with regulatory agencies and all non-privileged communications with other persons regarding potential or actual Hazardous Materials Claims arising from Licensee's or its Agents' or Invitees' operations at the Property. Upon City's request, Licensee must provide City with a log of all communications withheld under a claim of privilege that specifies the parties to and subject of each withheld communication.
- (e) City may from time to time request, and Licensee will be obligated to provide, information reasonably adequate for City to determine that any and all Hazardous Materials are being handled in a manner that complies with all Environmental Laws.

20. On the Effective Date of this First Amendment, Paragraph 25.12 of the License shall be deleted in its entirety.

21. On the Effective Date of this First Amendment, Paragraph 25.34 of the License shall be deleted in its entirety and replaced with the following:

25.34 Sales and Advertising Prohibitions

25.34.1 Tobacco Sales and Advertising. Licensee acknowledges and agrees that no sales or advertising of cigarettes or tobacco products is allowed on the Property. This advertising prohibition includes the placement of the name of a company producing, selling or distributing cigarettes or tobacco products or the name of any cigarette or tobacco product 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 cigarettes and tobacco products, or (ii) encourage people not to smoke or to stop smoking.

25.34.2 Alcoholic Beverages Advertising. Licensee acknowledges and agrees that no advertising of alcoholic beverages is allowed on the Property. For purposes of this section, "alcoholic beverage" shall be defined as set forth in California Business and Professions Code Section 23004, and shall 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. On the Effective Date of this First Amendment, Paragraph 25.36 of the License shall be deleted in its entirety and replaced with the following:

25.36 Notification of Limitations on Contributions. Through execution of this Agreement, Contractor acknowledges that it is familiar with section 1.126 of the City's Campaign and Governmental Conduct Code, which prohibits any person who contracts with the City for the rendition of personal services, for the furnishing of any material, supplies or equipment, for the sale or lease of any land or building, or for a grant, loan or loan guarantee, from making any campaign contribution to (1) an individual holding a City elective office if the contract must be approved by the individual, a board on which that individual serves, or the board of a state agency on which an appointee of that individual serves, (2) a candidate for the office held by such individual, or (3) a committee controlled by such individual, at any time from the commencement of negotiations for the contract until the later of either the termination of negotiations for such contract or six months after the date the contract is approved. Contractor acknowledges that the foregoing restriction applies only if the contract or a combination or series of contracts approved by the same individual or board in a fiscal year have a total anticipated or actual value of \$50,000 or more. Contractor further acknowledges that the prohibition on contributions applies to each prospective party to the contract; each member of Contractor's board of directors; Contractor's chairperson, chief executive officer, chief financial officer and chief operating officer; any person with an ownership interest of more than 20 percent in Contractor; any subcontractor listed in the bid or contract; and any committee that is sponsored or controlled by Contractor. Additionally, Contractor acknowledges that Contractor must inform each of the persons described in the preceding sentence of the prohibitions contained in Section 1.126. Contractor further agrees to provide to City the names of each person, entity or committee described above.

23. On the Effective Date of this First Amendment, Paragraph 25 of the License shall be amended by adding subparagraphs 25.41, 25.42, 25.43, and 25.44 as follows:

25.41 Graffiti Removal. Graffiti is detrimental to the health, safety and welfare of the community in that it promotes a perception in the community that the laws protecting public and private property can be disregarded with impunity. This perception fosters a sense of disrespect of the law that results in an increase in crime; degrades the community and leads to urban blight; is detrimental to property values, business opportunities and the enjoyment of life; is inconsistent with City's property maintenance goals and aesthetic standards; and results in additional graffiti and in other properties becoming the target of graffiti unless it is quickly removed from public and private property. Graffiti results in visual pollution and is a public nuisance. Graffiti must be abated as quickly as possible to avoid detrimental impacts on the City and its residents, and to prevent the further spread of graffiti.

Licensee agrees to remove all graffiti from any real property owned or leased by Licensee in the City within forty-eight (48) hours of the earlier of Licensee'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 Licensee to breach any lease or other agreement that it may have concerning its use of the real property. The term "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 the Public Works Code, the Planning Code, or the 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.).

25.42 Drug-Free Workplace. Licensee acknowledges that pursuant to the Federal Drug-Free Workplace Act of 1988 (41 U.S.C §§ 701 et seq.), the unlawful manufacture, distribution, possession or use of a controlled substance is prohibited on City or Port premises.

25.43 Food Service Waste Reduction Ordinance. Licensee agrees to comply fully with and be bound by all of the provisions of the Food Service Waste Reduction Ordinance, as set forth in Environment Code Chapter 16, including the remedies provided, and implementing guidelines and rules. By entering into this License, Licensee agrees that if it breaches this provision, City will suffer actual damages that will be impractical or extremely difficult to determine; further, Licensee agrees that the sum of one hundred dollars (\$100.00) liquidated damages for the first breach, two hundred dollars (\$200.00) liquidated damages for the second breach in the same year, and five hundred dollars (\$500.00) liquidated damages for subsequent breaches in the same year is a reasonable estimate of the damage that City will incur based on the violation, established in light of the circumstances existing at the time this License was made. Such amounts shall not be considered a penalty, but rather agreed monetary damages sustained by City because of Licensee's failure to comply with this provision..

25.44 Resource-Efficient Facilities and Green Building Requirements. Licensee agrees to comply with all applicable provisions of Environment Code Chapters 7 and 13C relating to resource-efficiency and green building design requirements.

24. On the Effective Date of this First Amendment, Paragraph 265 of the License shall be added, as follows:

26. SOUTHERN WATERFRONT COMMUNITY BENEFITS AND BEAUTIFICATION POLICY.

The Port's "Policy for Southern Waterfront Community Benefits and Beautification" identifies beautification and related projects in the Southern Waterfront (from Mariposa Street in the north to India Basin) that require funding. Under this policy, Licensee shall provide the following community benefits and beautification measures in consideration for the use of the Premises. All improvements must be performed in accordance with Paragraph 7 of this License.

26.1 Not sooner than Eighteen (18) months after the Effective Date of this First Amendment and not later than Twenty Four (24) months after the Effective Date of this First Amendment unless otherwise approved by SFMTA, Licensee shall expend not less than Fifty Thousand Dollars (\$50,000) to design, produce and install signs and other interpretive devices describing the historic significance of the Port's Pier 70 site. The form, content and placement of such signs and other devices are subject to Port's consent in its sole discretion.

26.2 Licensee shall perform repairs as specified by Port to Building 12 Complex with costs not to exceed Four Hundred Fifty Thousand dollars (\$450,000.00). SFMTA shall not require repairs to be conducted at the same time that Port implements an extension of 22nd Street under Paragraph 5(d)(4) of the MOU. In consideration for completion of the repairs and expenditures related thereto, and upon

approval by SFMTA of Construction Costs, SFMTA shall issue an appropriate rent credit (herein "Building 12 Complex Repair Rent Credit") to Licensee in accordance with the terms of this Paragraph. "Construction Costs" are the actual costs incurred for labor, materials, contractor fees, and reasonable architecture and engineering fees in connection with the project pursuant to a bid obtained under a guaranteed not-to-exceed construction bid that is approved by the SFMTA prior to issuance. The Building 12 Complex Repair Rent Credit shall be a sum equal to the Construction Costs or a sum not to exceed Four Hundred Fifty Thousand dollars (\$450,000.00), whichever is the lesser amount. The timing, scope and specification of the repairs shall be in the SFMTA's sole discretion except that SFMTA may not require Building 12 Complex repairs if the remaining rent owed by Licensee for the Term minus rent credits owed to Licensee pursuant to Paragraph 3(f) and Paragraph 5.7.3 is less than One Hundred Fifty percent (150%) of the guaranteed not-to-exceed construction bid.

All rent credits available to Licensee under this Paragraph shall be applied against Rent during the Term at a rate of 100% of the applicable month Rent payment and shall be applied if and only if Licensee is in good standing and is not in default of any of the terms of this License. In the event that the total of rent credits available to Licensee pursuant to this Paragraph exceeds an amount equal to 100% of the Rent payment for any one calendar month, the remaining available Rent Credit shall be carried forward to successive calendar months at a rate not to exceed 100% of the applicable Rent payment, until all available rent credits have been fully applied. In no event, however, shall Licensee be entitled to the application of any rent credits or the value thereof, beyond the expiration or earlier termination of this License.

In order for construction of the project to be authorized by SFMTA, Licensee must first obtain, prior to commencing the project, written approval from SFMTA that the Construction Costs of the proposed project are reasonable; and Licensee, must obtain all required governmental approvals, including, but not limited to building permits from the Port. After the completion of the approved project as evidenced by a certificate of completion or its equivalent by the Port's Chief Harbor Engineer, Licensee must deliver to SFMTA an itemized statement of the actual Construction Costs expended on the approved project, accompanied by documentation substantiating all said expenditures. Such documentation of expenditures shall include: (i) copies of executed contracts; (ii) copies of invoices for labor, services and/or materials, copies of bills of lading, and/or copies of other bills or receipts for goods, materials and/or services; (iii) copies of canceled checks, and (iv) such other proofs of expenditure as may be reasonably requested by Port. Such appropriate proofs of expenditure may include copies of canceled checks; copies of contracts or invoices for labor, services and/or materials marked "Paid", or otherwise evidenced as having been paid; bills of lading marked "Paid"; other bills, contracts, receipts for goods materials and/or services marked "Paid"; and such other proofs of expenditure as may be reasonably approved by Port. All such proofs of expenditure must be directly attributable to the approved project

25. On the Effective Date of this First Amendment, Attachments 3 and 4 to the License are deleted and replaced with the Attachments 3 and 4 that are appended to this First Amendment.

26. Entire Agreement. This First Amendment contains all of the representations and the entire agreement between the parties with respect to the subject matter of this agreement.

27. As amended hereby, the License is hereby ratified and confirmed in all respect and shall remain in full force and effect. In the event of any inconsistencies between the terms of this First Amendment and the License, the terms of this First Amendment shall prevail. Neither this First Amendment nor any of the terms hereof may be amended or modified except by a written instrument signed by all the parties hereto.

28. Effective Date. The Effective Date of the First Amendment is July 31, 2010.

IN WITNESS WHEREOF, the parties hereto have executed this First Amendment on the day first mentioned above.

LICENSOR



Nathaniel P. Ford, Senior
Executive Director/CEO
Municipal Transportation Agency

Municipal Transportation Agency
Board of Directors

Resolution No. 10-080

Adopted: 6/1/10

Attest: R. Boomer

Roberta Boomer
Secretary, MTA Board

LICENSEE



JOHN WICKER
President and CEO
TEGSCO, LLC,
d.b.a. San Francisco AutoReturn
450 7th Street
San Francisco, CA 94103
Phone No.: 415-626-3380
Federal Employer ID No.: 01-0688299

Approved as to Form:
Dennis J. Herrera
City Attorney

By: Mariam Morley

Mariam Morley
Deputy City Attorney

ATTACHMENT 1A

FEMA Disclosure Notice

The Federal Emergency Management Agency ("FEMA") is revising Flood Insurance Rate Maps ("FIRMs") for San Francisco Bay Area communities. As part of this effort, FEMA plans to prepare a FIRM for the City and County of San Francisco for the first time. That process may have significant impacts for developing new buildings and reconstructing or repairing existing buildings on certain parts of the San Francisco waterfront.

FIRMs identify areas that are subject to inundation during a flood having a 1% chance of occurrence in a given year (also known as a "base flood" or "100-year flood"). FEMA refers to the flood plain that is at risk from a flood of this magnitude as a special flood hazard area ("SFHA").

Because FEMA has not previously published a FIRM for the City and County of San Francisco, there are no identified SFHAs within San Francisco's geographic boundaries. FEMA has completed the initial phases of a study of the San Francisco Bay. On September 21, 2007, FEMA issued a preliminary FIRM of San Francisco for review and comment by City. FEMA has tentatively identified SFHAs along City's shoreline in and along the San Francisco Bay consisting of "A zones" (areas subject to inundation by tidal surge) and "V zones" (areas subject to the additional hazards that accompany wave action). These zones generally affect City property under the jurisdiction of the City of San Francisco and other areas of the San Francisco waterfront, including parts of Mission Bay, Hunters Point Shipyard, Candlestick Point, Treasure and Yerba Buena Islands and an area adjacent to Islais Creek. City has submitted comments on the preliminary FIRM to FEMA.

FEMA prepares the FIRMs to support the National Flood Insurance Program ("NFIP"), a federal program that enables property owners, businesses, and residents in participating communities to purchase flood insurance backed by the federal government. Participation in the NFIP is based on an agreement between the local government and the federal government that requires the local government to adopt and enforce a floodplain management ordinance to reduce future flood risks. As part of the floodplain management ordinance, the local jurisdiction must impose significant restrictions on construction of new or substantially improved structures located in SFHAs and ban construction of certain new structures seaward of the mean high tide line, unless appropriate variances can be granted. Federally backed lenders must require the purchase of flood insurance for residential and commercial structures located in SFHAs. Otherwise, purchase of flood insurance is voluntary.

In August 2008, the San Francisco Board of Supervisors adopted Ordinance No. 188-08, a floodplain management ordinance governing new construction and substantial improvements in flood prone areas of San Francisco and authorizing the City's participation in NFIP. In accordance with the ordinance, the City Administrator's Office has issued maps of flood prone areas. Specifically, the ordinance requires that any new construction or substantial improvement of structures in city-designated flood zones be constructed in accordance with specified requirements intended to minimize or eliminate flood hazard risks. NFIP regulations allow a local jurisdiction to issue variances to its floodplain management ordinance under certain narrow circumstances, without jeopardizing the local jurisdiction's eligibility in the NFIP. However, the particular projects that are granted variances by the local jurisdiction may be deemed ineligible for federally-backed flood insurance by FEMA.

Additional information on this matter can be found on FEMA's website at the following links:

<http://www.fema.gov/plan/prevent/fhm/index.shtm>

<http://www.fema.gov/business/nfip/index.shtm>

The legislation and regulations implementing the NFIP are located at 42 U.S.C. §§ 4001 et seq.; 44 C.F.R. Parts 59-78, §§ 59.1-78.14.

In addition, FEMA publishes "Answers to Questions About the NFIP" and FEMA Publication 186 entitled "Mandatory Purchase of Flood Insurance Guidelines."

Additional information about the San Francisco legislation can be found on the city's website (<http://www.sfgov.org>), File Nos. 080823 (floodplain management ordinance) and 080824 (NFIP participation resolution).

Attachment 3
PORT CONSENT

The undersigned, on behalf of Port of San Francisco, consents to the foregoing License; provided, however, that nothing contained herein shall be deemed to impose any additional obligations or liabilities upon Port other than as is already set forth in the Memorandum of Understanding Between SFMTA and Port .

CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation, operating by and through the **SAN FRANCISCO PORT COMMISSION**

By: Monique Moyer
Monique Moyer, Executive Director

Date signed: 05-27-11

ATTACHMENT 4

Environmental Reports and Documents Regarding Hazardous Materials

SF MTA / AutoReturn

Updated July 31, 2010