File No. 260744 **Committee Item No.** 6
Board Item No. 34

COMMITTEE/BOARD OF SUPERVISORS

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Committee: Budget and Finance Committee **Date** July 15, 2026
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Completed by: Brent Jalipa **Date** July 9, 2026
Completed by: Brent Jalipa **Date** July 16, 2026

[Management Agreement Amendment - Pasha Automotive Services - Pier 80 Terminal - Discontinue $50,000 Monthly Fee - Revised Revenue Sharing]

Resolution authorizing the Port of San Francisco ("Port") to execute the First Amendment to Management Agreement 16114 between the Port Commission and Pasha Automotive Services, a California corporation ("Pasha"), amending Management Agreement 16114 to discontinue a $50,000 monthly Management Fee paid by the Port to Pasha; adopt revised revenue sharing and special event provisions; restructure Pasha's exclusive use of the Port's Pier 80 terminal; and authorize the Port to enter into amendments or other modifications to the First Amendment to Management Agreement 16114 that do not materially increase the obligations or liabilities to the City or the Port.

WHEREAS, California Statutes of 1968, Chapter 1333 (as amended, "Burton Act") and Charter Sections 4.114 and B3.581 empower the San Francisco Port Commission ("Port" or "Port Commission") with the power and duty to use, conduct, operate, maintain, manage, regulate and control the lands within Port Commission jurisdiction in the City and County of San Francisco; and

WHEREAS, Pasha , an established operator of several marine terminals on the U.S. West Coast, entered into Management Agreement 16114, dated for reference purposes as of April 12, 2016 ("Agreement"), with the Port to manage and operate the Port's Pier 80 terminal predominantly for automobile import and export; and

WHEREAS, The Agreement's payment terms are comprised of a percentage of annual gross tariff revenues generated at the Pier 80 terminal and a $50,000 monthly management fee paid by the Port to Pasha; and

WHEREAS, Changes in the automobile market have negatively impacted the number of automobiles exported and imported through Pier 80, significantly decreasing annual gross tariff revenues since 2021; and

WHEREAS, The Agreement's payment provisions are no longer beneficial to the Port; and

WHEREAS, The Port desires to use Pier 80 as additional space for cruise ship operations and for non-maritime special events, such as the Portola Music Festival, resulting in increased revenues generated from the facility; and

WHEREAS, Port staff and Pasha have negotiated a First Amendment to Management Agreement to 1) discontinue a $50,000 monthly Management Fee paid by the Port to Pasha, 2) adopt revised revenue sharing and special event provisions, 3) restructure Pasha's exclusive use of the Port's Pier 80 terminal; and 4) authorize the Port to enter into amendments or other modifications to the Agreement that do not materially increase the obligations or liabilities to the City or the Port ("First Amendment"), a copy of which is on file with the Clerk of the Board of Supervisors in File No. 260744; and

WHEREAS, At its June 9, 2026 meeting, the Port Commission adopted Resolution 26-36, approving the First Amendment; and

WHEREAS, The First Amendment requires approval by the Board of Supervisors; now, therefore be it

RESOLVED, That the Board hereby approves the First Amendment to Management Agreement, and authorizes the Acting Executive Director of the Port, or the Acting Executive Director's designee, to execute the First Amendment to Management Agreement and related documentation, each in the form approved by the City Attorney and in substantially the same form on file with the Clerk of the Board in File No. 260744; and, be it

FURTHER RESOLVED, That the Board of Supervisors authorizes the Acting Executive Director of the Port, or the Acting Executive Director's designee, to enter into any other additions, amendments, or other modifications to the First Amendment to Management Agreement that the Acting Executive Director, in consultation with the City Attorney, determines, when taken as a whole, to be in the best interest of the Port, do not materially increase the obligations or liabilities of the City or the Port or materially reduce the benefits to the City or the Port,, and are necessary or advisable to complete the transactions which this Resolution contemplates and effectuate the purpose and intent of this Resolution, such determination to be conclusively evidenced by the execution and delivery by the Acting Executive Director of such documents; and, be it

FURTHER RESOLVED, That within 30 days of the execution of the First Amendment to Management Agreement by all parties, the Port shall provide a copy to the Clerk of the Board for inclusion in the official file.

FIRST AMENDMENT TO
MANAGEMENT AGREEMENT 16114

This First Amendment to Management Agreement 16114 ("**First Amendment**"), dated for reference purposes only as of June __, 2026, is by and between the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation ("**City**"), operating by and through the SAN FRANCISCO PORT COMMISSION ("**Port**"), as Landlord, and PASHA AUTOMOTIVE SERVICES, a California corporation ("**Terminal Operator**").

RECITALS

A. The Port and Terminal Operator entered into that certain Management Agreement 16114 dated for reference purposes as of July 28, 2016 (the "**Original Management Agreement**"), to convey to Terminal Operator a non-exclusive right to use Pier 80 and an exclusive right to serve as the marine terminal operator and manager of the Pier 80 Cargo Terminal.

B. The Port and Terminal Operator desire to amend the Original Management Agreement to modify services to be performed by Terminal Operator, Terminal Operator's revenues and compensation, and update City requirements.

C. The term of the Management Agreement will remain the same.

D. As of the date of this First Amendment, Terminal Operator is in Good Standing.

E. The Original Management Agreement, as amended by this First Amendment shall collectively be referred to as the "**Management Agreement**." All capitalized terms used in and not defined in this First Amendment shall have the meaning given to them in the Original Management Agreement.

NOW THEREFORE, in consideration of the mutual covenants herein contained and for other good and valuable consideration the sufficiency of which is acknowledged by both parties, the Port and Terminal Operator amend the Original Management Agreement as follows:

AGREEMENT

1. **Recitals**. The recitals in this First Amendment are true and correct and are incorporated into the Management Agreement.

2. **Definitions**. The following defined terms are added to Section 2 of the Original Management Agreement.

"**Cruise Operation**" and "**Cruise Operations**" are defined in Section 3.3(h).

"**Special Event**" and "**Special Events**" mean exhibitions or presentations of sporting events, exhibitions and tournaments, concerts, musical and theatrical performances and other forms of live entertainment, public ceremonies, private and public gatherings, recreation, athletic events, filming, fairs, carnivals, commemorations, shows, fundraising events or other public or private exhibitions and activities related thereto and includes setup/load in and demobilization/load out; temporary improvements and/or installation of tents and structures specific for Special Events; administrative and security functions and other amenities and facilities to accommodate such Special Events.

"**Special Events Calendar**" is defined in Section 4.2(b)(i)."

3. Modifications to SERVICES TO BE PERFORMED BY TERMINAL OPERATOR (Section 3).

3.1. Amending Management of the Facility (Section 3.1). Section 3.1 of the Original Management Agreement is amended to add subsection (f), as follows.

"**3.1** ***Management of the Facility***.

…

(f) In addition to subsections (a) through (e), Terminal Operator may operate the Facility for the purposes described in subsection 3.14."

3.2. Expanding Port's Retained Rights (Section 3.3). Subsection (h) is added to Section 3.3 of the Original Management Agreement as follows:

"**3.3 Port's Retained Rights**.

…

(h) Cruise Operations and Support. The Port is entitled to use the Facility for cruise operations, including preparation, berthing, and takedown (collectively, a "**Cruise Operation**"), up to the maximum of fifteen (15) acres. The Port may use up to fifteen (15) acres of the Facility for a Cruise Operation upon at least ten (10) business days' advance written notice to Terminal Operator."

3.3. Adding Special Events (Section 3.14). Section 3.14 is added to the Original Management Agreement as follows:

"**3.14 Special Events**.

(a) Terminal Operator agrees and acknowledges that the primary purpose of the Facility is to serve as the Port's primary cargo terminal, vessel lay berthing, and events. Accordingly, roll-on/roll-off (Ro/Ro) and breakbulk vessel calls at the Facility will generally have priority over Special Events.

(b) Terminal Operator may market and allow, earn revenue upon, and/or manage up to twenty (20) Special Events per calendar year that are not related to managing cargo. Up to fifteen (15) Special Events may be private and otherwise unavailable to the general public.

(i) In addition to or combined with the Monthly Report required by subsection 4.2(d)(i), Terminal Operator must provide a list of tentative and confirmed Special Events for the subsequent eighteen (18) calendar months (the "**Special Events Calendar**"). For each listed Special Event, Terminal Operator must identify:

(1) name of entity or party sponsoring the Special Event;
(2) date(s) and time(s) of the Special Event;
(3) brief description or type of Special Event;
(4) estimated number of Special Event guests and/or participants;
(5) approximate amount of space and location(s) of Special Event, including number of parking spaces; and
(6) estimated gross revenues generated by the Special Event.

Terminal Operator must inform the Port of each public Special Event at least one hundred twenty (120) calendar days prior to the first proposed date of the Special Event and at least ninety (90) calendar days prior to the first proposed date of any private Special Event.

(ii) The Port will respond within fifteen (15) calendar days of receipt of Terminal Operator's proposed Special Events Calendar and may request additional information, provide written consent, or reject the proposal.

(c) Terminal Operator may use the services of a third party to manage one or more Special Events, so long as the third party: (i) maintains insurance coverage reasonably required by the Port and City and provides proof of such coverage to the Port, and (ii) complies all applicable City requirements, including those summarized in Section 25 of the Management Agreement.

(d) Terminal Operator agrees that the Portola Music Festival, or a substitute event of similar scale and duration, will be licensed directly by the Port each year. Terminal Operator may not market the Facility or solicit other Special Events that conflict with the annual Portola Music Festival."

4. Modifications to REVENUE AND COMPENSATION (Section 4).

4.1. Modifying Port Payment to Terminal Operator.

(a) Discontinuing Monthly Fee. Subsection (i) of Section 4.2(a) (Monthly Operating Fee) of the Original Management Agreement is deleted in its entirety; as of July 1, 2026 the Port will no longer pay Terminal Operator a monthly operating fee.

(b) Credit for Certain Terminal Operator Cruise Operation Costs. The following text is added as Section 4.2(a).

"**4.2.** ***Payments.***

(a) Credit for Certain Terminal Operator Cruise Operation Costs. Port will credit Terminal Operator for confirmed management costs of up to Two Thousand Dollars ($2,000) that Terminal Operator incurs as a direct result of each Cruise Operation. Terminal Operator must submit a request for any credit within thirty (30) calendar days of the conclusion of the Cruise Operation, which request must include: (i) the total amount of the credit requested; and (ii) an itemized description of the costs incurred with reasonable supporting documentation. Terminal Operator acknowledges that any union-related costs associated with the movement of cargo to facilitate a Cruise Operation are ineligible for credit, but may be passed through directly to the Port (and/or its contractor). Port and Terminal Operator further agree that the credit shall not be considered Port Gross Revenue for purposes of sharing revenues under subsections 4.2(b)(i), 4.2(b)(ii), or 4.2(b)(iii).

4.2. Revising Share of Revenues. Section 4.2(b) (Share of Revenues) of the Original Management Agreement is deleted in its entirety and replaced as follows:

"**4.2.** ***Payments*.**

…

(b) Share of Revenues. Terminal Operator and the Port will share in Port Gross Revenues derived from the Facility as follows:

(i) **Tariff Revenue**. Subject to the limitation described in subsection (iii) below, the Port is entitled to forty percent (40%) of Gross Tariff Revenue earned in each Contract Year (which includes but is not limited to wharfage, dockage, crane rental, demurrage, storage, freight transfer fees, lay berth dockage); Terminal Operator is entitled to sixty percent (60%) of gross Tariff Revenue in each corresponding year.

(ii) **Special Event Revenues**. Subject to the limitation described in subsection (iii) below, the Port is entitled to fifty percent (50%) of all other Port Gross Revenue that is not Tariff Revenue and that is earned in each Contract Year, including but not limited to Special Events in each Contract Year; Terminal Operator is entitled to fifty percent (50%) of Special Event revenue in each corresponding year, including but not limited to events licensed directly by the Port (such as the Portola Music Festival).

(iii) **Port Gross Revenue in Excess of $4.5 Million**. Regardless of revenue source, Terminal Operator is entitled to one hundred percent (100%) of Port Gross Revenue earned in each Contract Year in excess of Four Million Five Hundred Thousand Dollars ($4,500,000).

5. **Pier 94**. The Port and Terminal Operator acknowledge that Terminal Operator has previously licensed portions of Port property, including at Pier 94, on an as-needed basis. The Port intends to continue to facilitate Terminal Operator's use of additional Port property including locations at Pier 94 via the Port's form license agreement and will prioritize cargo and maritime operations in accordance with the Port's statutory and common law trust obligations.

6. **City Requirements Update**.

6.1. Section 25.1 (Nondiscrimination) of the Original Management Agreement is deleted in its entirety and replaced as follows:

"**25.1** ***Nondiscrimination***.

(a) Covenant Not to Discriminate. In the performance of this Management Agreement, Terminal Operator covenants and agrees not to discriminate on the basis of the fact or perception of a person's race, color, creed, religion, national origin, ancestry, age, sex, sexual orientation, gender identity, domestic partner status, marital status, disability or Acquired Immune Deficiency Syndrome or HIV status (AIDS/HIV status), weight, height, association with members of classes protected under Articles 131 or 132 of Division II of the San Francisco Labor and Employment Code (formerly Chapter 12B and 12C of the San Francisco Administrative Code) or in retaliation for opposition to any practices forbidden under Articles 131 or 132 of Division II of the Labor and Employment Code against any employee of Terminal Operator, any City and County employee working with Terminal Operator, any applicant for employment with Terminal Operator, or any person seeking accommodations, advantages, facilities, privileges, services, or membership in all business, social, or other establishments or organizations operated by Terminal Operator in the City and County of San Francisco.

(b) Sublicenses and Other Contracts. Terminal Operator shall include in all sublicenses and other contracts relating to the Facility a nondiscrimination clause applicable to such sublicensee or other contractor in substantially the form of Subsection (a) above. In addition, Terminal Operator shall incorporate by reference in all sublicenses and other contracts the provisions of Sections 131.2(a), 131.2(c) – (k), and 132.3 of the Labor and Employment Code (formerly, sections 12B.2 (a), 12B.2(c) - (k) and 12C.3 of the Administrative Code) and shall require all sublicensees and other contractors to comply with such provisions.

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

(d) CMD Form. On or prior to the Effective Date, Terminal Operator shall execute and deliver to Port the "Nondiscrimination in Contracts and Benefits" form approved by the CMD.

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

6.2. Section 25.9 (Health Care Accountability Ordinance) of the Original Management Agreement is deleted in its entirety and replaced as follows:

"**25.9** ***Requiring Health Benefits for Covered Employees***. Unless exempt, Terminal Operator agrees to comply fully with and be bound by all of the provisions of the Health Care Accountability Ordinance (HCAO), as set forth in Labor and Employment Code Division II, Article 121 (formerly Administrative Code Chapter 12Q).

(a) For each Covered Employee Terminal Operator shall provide the appropriate health benefit set forth in Section 121.3(d) of the HCAO.

(b) Notwithstanding the above, if Terminal Operator meets the requirements of a "**small business**" by the City pursuant to Section 121.3(e) of the HCAO, it shall have no obligation to comply with Section 25.9(a) above.

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

(d) Any sublicense or contract regarding services to be performed on the Facility entered into by Terminal Operator shall require the sublicensee or contractor and subcontractors, as applicable, to comply with the requirements of the HCAO and shall contain contractual obligations substantially the same as those set forth in Article 121 of Division II of

the Labor and Employment Code. Terminal Operator shall notify the Office of Labor Standards Enforcement ("**OLSE**") when it enters into such a sublicense or contract and shall certify to OLSE that it has notified the sublicensee or contractor of the obligations under the HCAO and has imposed the requirements of the HCAO on the sublicensee or contractor through written agreement with such sublicensee or contractor. Terminal Operator shall be responsible for ensuring compliance with the HCAO for each sublicensee, sublicensee, Contractor and Subcontractor performing services on the Facility. If any sublicensee, Contractor or Subcontractor fails to comply, the City may pursue the remedies set forth in Section 121.5 of the Labor and Employment Code against Terminal Operator based on the sublicensee's, Contractor's, or Subcontractor's failure to comply, provided that OLSE has first provided Terminal Operator with notice and an opportunity to cure the violation.

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

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

(g) Terminal Operator shall keep itself informed of the requirements of the HCAO, as they may change from time to time.

(h) Upon request, Terminal Operator shall provide reports to the City in accordance with any reporting standards promulgated by the City under the HCAO, including reports on sublicensees, Contractors, and Subcontractors.

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

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

6.3. Section 25.16 (Prevailing Wages and Working Conditions) of the Original Management Agreement is deleted in its entirety and replaced as follows:

"**25.16** ***Prevailing Wages and Working Conditions***. Terminal Operator shall comply with all applicable prevailing wage requirements, including but not limited to any such requirements in the California Labor Code, the City and County of San Francisco Charter or City and County of San Francisco Municipal Code. Any undefined, initially-capitalized term used in this Section shall have the meaning given to such term in San Francisco Labor and Employment Code Division II, Articles 101, 103, and 104 (formerly Administrative Code Section 23.61). Terminal Operator shall require its contractors and subcontractors performing (i) labor in connection with a "public work" as defined under California Labor Code Section 1720 et seq. (which includes certain construction, alteration, maintenance, demolition, installation, repair,

carpet laying, or refuse hauling work if paid for in whole or part out of public funds) or (ii) Covered Construction to: (A) pay workers performing such work not less than the highest prevailing rate of wages, (B) provide the same hours, working conditions and benefits as in each case are provided for similar work performed in San Francisco County, and (C) employ apprentices in accordance with San Francisco Labor and Employment Code Division II, Articles 101, 103, and 104 (collectively, "**Prevailing Wage Requirements**"). Terminal Operator agrees to cooperate with the City in any action or proceeding against a contractor or subcontractor that fails to comply with the Prevailing Wage Requirements.

Terminal Operator shall include and shall require its sublicensees, and contractors and subcontractors (regardless of tier), to include the Prevailing Wage Requirements and the agreement to cooperate in City enforcement actions in any Construction Contract with specific reference to San Francisco Labor and Employment Code Division II, Articles 101, 103, and 104. Each such Construction Contract shall name the City and County of San Francisco, affected workers, and employee organizations formally representing affected workers as third-party beneficiaries for the limited purpose of enforcing the Prevailing Wage Requirements, including the right to file charges and seek penalties against any contractor or subcontractor in accordance with San Francisco Labor and Employment Code Division II, Articles 101, 103, and 104. Terminal Operator's failure to comply with its obligations under this Section shall constitute a material breach of this Management Agreement. A contractor's or subcontractor's failure to comply with this Section will enable the City to seek any remedy provided by Law, including those specified in San Francisco Labor and Employment Code Division II, Articles 101, 103, and 104 against the breaching party.

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

6.4. Section 25.19 (Consideration of Criminal History in Hiring and Employment Decisions) of the Original Management Agreement is deleted in its entirety.

6.5. Sections 25.23 through 25.25 are added to the Management Agreement as follows:

"25.23 ***Notification of Limitations on Contributions***. If this Management Agreement is subject to the approval by City's Board of Supervisors, Mayor, or other elected official, the provisions of this Section 21.13 shall apply. Through its execution of this Management Agreement, Terminal Operator acknowledges its obligations under 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 of 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 (a) the City elective officer, (b) a candidate for the office held by such individual, or (c) a committee controlled by such individual or candidate, at any time from the submission of a proposal for the contract until the later of either the termination of negotiations for such contract or twelve (12) months after the date the contract is approved. Terminal Operator 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 one

hundred thousand dollars ($100,000) or more. Terminal Operator further acknowledges that, if applicable, (i) the prohibition on contributions applies to each Terminal Operator; each member of Terminal Operator's board of directors, and Terminal Operator's principal officers, including its chairperson, chief executive officer, chief financial officer and chief operating officer; any person with an ownership interest of more than ten percent (10%) in Terminal Operator; and any subcontractor listed in the Terminal Operator's bid or contract. Additionally, Terminal Operator certifies that if this Section 21.13 applies, Terminal Operator has informed each of the persons described in the preceding sentence of the prohibitions contained in Section 1.126 by the time it submitted a proposal for the contract and has provided to City the names of each of the persons required to be informed."

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

"**25.25** ***Local Truckers***. As material consideration for Port's agreement to enter into this Management Agreement, Terminal Operator agrees that, for all directly contracted or service agreement trucking opportunities associated with Terminal Operator's operations at the Facility, including, without limitation, hauling of materials on and off the Facility, Terminal Operator shall make good faith efforts to first use Local Truckers.

For purposes of this Section, "truckers" means a business that provides trucking services for a profit. "Local truckers" means those truckers that are certified by the Contract Monitoring Division of the City's General Services Agency as "Local Business Enterprises" pursuant to the City's Local Business Enterprise and Nondiscrimination in Contracting Ordinance as amended from time to time (Administrative Code Chapter 14B.)

To the extent that Terminal Operator in its sole discretion directly contracts or enters into a service agreement with truckers for trucking opportunities as described in this Section, Terminal Operator shall use Local Truckers for a minimum of sixty percent (60%) of all contracted or service agreement trucking. Only the actual dollar amount paid to truckers will be counted towards meeting the sixty percent (60%) requirement; equipment rental and disposal fees will not be counted. Notwithstanding the foregoing, if Terminal Operator fails to meet the sixty percent (60%) minimum, Terminal Operator shall not be in default of this provision so long as Terminal Operator first offered trucking opportunities to Local Truckers, and such Local Truckers were unavailable or unwilling to perform the work.

Terminal Operator shall submit a monthly report to the Port and CMD stating the total cost to Terminal Operator of trucking through a contract or service agreement during the preceding month and identifying the total amount paid to Local Truckers by the Terminal Operator. The monthly report shall document all truckers who conducted contract or service agreement work for Terminal Operator, and identify those truckers which are Local Truckers. If Terminal Operator fails to meet the 60% minimum in any month, the report shall document Terminal Operator's good faith outreach efforts to contact Local Truckers and the reasons that such work could not be conducted by Local Truckers. At Port or CMD's request, Terminal Operator shall provide additional documentation required to ensure Terminal Operator's compliance with this provision. Terminal Operator's failure to comply with this Section shall be deemed a material breach under this Management Agreement."

7. Miscellaneous.

7.1. Successors and Assigns. This First Amendment is binding upon and will inure to the benefit of the successors and assigns of the Port and Terminal Operator.

7.2. No Third-Party Beneficiaries. This First Amendment is for the exclusive benefit of the Port and Terminal Operator and not for the benefit of any other person and will not be deemed to have conferred any rights, express or implied, upon any other person.

7.3. Counterparts. This First Amendment may be executed in counterparts, each of which is deemed to be an original, and all such counterparts constitute one and the same instrument.

7.4. Entire Agreement. The Management Agreement (including the Exhibits and Schedules) constitute the entire agreement between the parties with respect to the subject matter set forth, and supersede all negotiations or previous agreements between the parties with respect to all or any part of the terms and conditions mentioned herein or incidental hereto. No parol evidence of any prior or other agreement will be permitted to contradict or vary the terms of the Management Agreement.

7.5. Amendment. Neither the Management Agreement nor any of the terms hereof may be terminated, amended or modified except by a written instrument executed by the parties. Except as provided in this First Amendment, the Original Management Agreement is unmodified hereby, and as modified by this First Amendment, the Management Agreement remains in full force and effect.

7.6. Governing Law; Selection of Forum. This First Amendment will be governed by, and interpreted in accordance with, the laws of the State of California. As part of the consideration for Port's entering into this First Amendment, Terminal Operator agrees that all actions or proceedings arising directly or indirectly under the Management Agreement may at the sole option of Port, be litigated in courts having situs within the State of California, and Terminal Operator consents to the jurisdiction of any such local, state or federal court, and consents that any service of process in such action or proceeding may be made by personal service upon Terminal Operator wherever Terminal Operator may then be located, or by certified or registered mail directed to Terminal Operator at the address set forth in the Management Agreement for the delivery of notices.

7.7. Counsel. Each party acknowledges that: (a) it was represented by counsel in connection with this First Amendment; (b) it executed this First Amendment with the advice of counsel; and (c) this First Amendment is the result of negotiations between the parties and the advice and assistance of their respective counsel.

7.8. Severability. If any provision of this First Amendment, or its application to any person or circumstance, is held invalid by any court, the invalidity or inapplicability of such provision will not affect any other provision of this First Amendment or the application of such provision to any other person or circumstance, and the remaining portions of this First Amendment will continue in full force and effect, unless enforcement of this First Amendment

as so modified by and in response to such invalidation would be grossly inequitable under all of the circumstances, or would frustrate the fundamental purposes of this First Amendment.

7.9. Authority. Each of the persons executing this First Amendment on behalf of Terminal Operator does hereby covenant and warrant that Terminal Operator is at the time of execution and at all times while the Management Agreement is in effect will continue to be: (a) a duly authorized and existing entity, (b) qualified to do business in California; and that Terminal Operator has full right and authority to enter into this First Amendment, and that each and all of the persons signing on behalf of Terminal Operator are authorized to do so. Upon the Port's request, Terminal Operator shall provide the Port with evidence reasonably satisfactory to the Port confirming the foregoing representations and warranties, and covenants.

8. Effective Date. The Effective Date of this First Amendment is July 1, 2026.

[Remainder of this page intentionally left blank.]

IN WITNESS WHEREOF, the Port and Terminal Operator execute this First Amendment in San Francisco, California, as of the last date set forth below.

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

By: _____
Dominic Moreno
Acting Deputy Director, Maritime

Date: _____

Terminal Operator: **PASHA AUTOMOTIVE SERVICES**,
a California corporation

By: _____
Name: Chris Hamlin
Title: Senior Vice President

Date: _____

By: _____
Name: Michael Johnson
Title: General Counsel

Date: _____

APPROVED AS TO FORM:
DAVID CHIU, City Attorney

By: _____
Justin Bigelow
Deputy City Attorney

First Amendment prepared by Charles Labitan, Business Development Manager ____ (initial)

Port Commission Resolution 26-37 approved as of June 9, 2026.



Approval of a First Amendment to Management Agreement 16114 with Pasha Automotive Services

San Francsico Board of Supervisors

Action Item

July 15, 2026

Presented By:

Boris Delepine

2016 Original Agreement

- Effective: July 1, 2016, 15-year term with two 5-year extension options
- Management fee: Fixed $50,000 per month, paid to Pasha regardless of volume
- Revenue model: Shared tariff revenue on vehicles moved through Pier 80

- Peak Volume (2020/21) - 125,174 units

- Steady growth for five years, then an extreme drop beginning in 2021/22.

What Drove the Decline

- Broader economic shift: Post-2022 slowdown in new-vehicle imports and shipping demand
- EV global market demand: Faster-than-expected shift toward electric vehicles reshaped import flows
- Fremont factory: Growth in West Coast domestic vehicle production reduced import need
- Foreign factories: New overseas manufacturing hubs shortened and rerouted supply chains



Proposed Amendment

Three changes proposed to restore financial balance and add flexibility

1. Discontinue the Monthly Management Fee

- Savings $600,000 saved per year, effective immediately
- Eliminates the fixed $50,000/month management fee paid to Pasha regardless of terminal performance.

2. New Revenue-Sharing & More Events

- Split 40 / 60 Port / Pasha split, up to $4.5M in tariff revenue
- Pasha keeps 100% of tariff revenue above $4.5M. Event revenue (including Portola) splits 50/50, encouraging more activations.

3. Restructured Exclusive Use

- Shared area 15 acres of Pier 80 opened to cruise operations
- Port and cruise operator Metro Services gain shared use of the terminal. Port credits Pasha up to $2,000 per cruise call for prep costs.





THANK YOU

ORIGINAL

CITY AND COUNTY OF SAN FRANCISCO
EDWIN M. LEE, MAYOR

MANAGEMENT AGREEMENT 16114

BY AND BETWEEN

THE CITY AND COUNTY OF SAN FRANCISCO

THROUGH THE SAN FRANCISCO PORT COMMISSION

AND

PASHA AUTOMOTIVE SERVICES
A CALIFORNIA CORPORATION

PIER 80 CARGO TERMINAL

ELAINE FORBES
INTERIM EXECUTIVE DIRECTOR

SAN FRANCISCO PORT COMMISSION

WILLIE ADAMS, PRESIDENT
KIMBERLY BRANDON, VICE PRESIDE
LESLIE KATZ, COMMISSIONER
ELENI KOUNALAKIS, COMMISSIONE
DOREEN WOO HO, COMMISSIONER

Customer # 00 201991
Agmt # 00378S

ORIGINAL

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THIS MANAGEMENT AGREEMENT (hereinafter "**Agreement**"), dated as of April 12, 2016 for reference purposes by and between the City and County of San Francisco ("**City**"), a municipal corporation, acting by and through the San Francisco Port Commission ("**Port**"), and Pasha Automotive Services, a California Corporation ("**Terminal Operator**") whose principal place of business is National City, California, is entered into on the basis of the following facts, intentions and understanding of the parties:

RECITALS

A. Port holds in trust and subject to its lawful disposition certain maritime facilities located at the Marine Cargo Terminal at Pier 80 (sometimes referred to herein as the "**Pier 80 Cargo Terminal**") situated in the City and County of San Francisco.

B. Port desires to improve the efficiency and operations of such facilities and induce increased volumes of cargo through the Pier 80 Cargo Terminal.

C. The continuity of terminal services will enhance cargo operations at the Port of San Francisco.

D. Port wishes to retain the services of a single marine terminal operator for management and terminal operations, both current and prospective, for the Pier 80 Cargo Terminal.

E. Port desires to contract with Terminal Operator to serve as the marine terminal operator and manager of the Pier 80 Cargo Terminal, and Terminal Operator desires to contract with Port to perform such services, on the terms and conditions set forth in this Agreement. This Agreement conveys to Terminal Operator a non-exclusive right to use the Pier 80 and an exclusive right to operate it as a cargo terminal.

Now, therefore, the parties agree as follows:

AGREEMENT

1. RECITALS.

The foregoing recitals are true and correct and are incorporated herein by reference.

2. DEFINITIONS.

"**Agents**" means when used with reference to either party to this Agreement or any other person means the officers, directors, employees, agents, and contractors of the party or other person, and their respective heirs, legal representatives, successors, and assigns.

"**Agreement**" shall mean this Management Agreement, as it may be amended from time to time by mutual agreement of both parties.

"**Claims**" means all liabilities, injuries, losses, costs, claims, demands, rights, causes of action, judgments, settlements, damages, liens, fines, penalties and expenses, including without limitation, direct and vicarious liability of any kind for money damages, compensation, penalties, liens, fines, interest, attorneys' fees, costs, equitable relief, mandamus relief, specific performance, or any other relief.

"**Commencement Date**" means July 1, 2016, subject to the provisions of Section 3.3(f) and provided that Terminal Operator cannot begin operations involving cargo until changes to the Tariff in connection with this Agreement are effective.

"**Contract Year**" means the twelve (12) month period starting with the Commencement Date, and each succeeding twelve (12) month period thereafter during the Term of this Agreement.

"**Environmental Laws**" means any Laws relating to Hazardous Material (including its Handling, Release, or Remediation) or to human health and safety, industrial hygiene, or environmental conditions in the environment, including structures, soil, air, bay water, and groundwater, and any environmental mitigation measure adopted under Environmental Laws affecting any portion of the Facility.

"**Environmental Regulatory Agency**" means the United States Environmental Protection Agency, the U.S. Occupational Safety and Health Administration ("**OSHA**"), any California Environmental Protection Agency board, department, or office, including the Department of Toxic Substances Control and the San Francisco Bay Regional Water Quality Control Board, Cal-OSHA, the Bay Area Air Quality Management District, the San Francisco Department of Public Health, the San Francisco Fire Department, the San Francisco Public Utilities Commission, Port, or any other Regulatory Agency now or later authorized to regulate Hazardous Materials.

"**Event of Default**" is defined in Section 12.1.

"**Exacerbate**" or "**Exacerbating**" when used with respect to Hazardous Materials means any act or omission that increases the quantity or concentration of Hazardous Materials in the affected area, causes the increased migration of a plume of Hazardous Materials in soil, groundwater, or bay water, causes a release of Hazardous Materials that had been contained until the act or omission, or otherwise requires investigation or Remediation that would not have been required but for the act or omission. Exacerbate also includes the disturbance, removal or generation of Hazardous Materials in the course of Terminal Operators operations at the Facility.

"**Expiration Date**" means June 30, 2031 or the last day of any Extension Term as applicable.

"**Extension Term**" is defined in Section 5.2.

"**Facility**" means those portions of the marine cargo terminal and appurtenances thereto located at the premises commonly referred to as the **Pier 80 Cargo Terminal**, Port of San Francisco, situated on approximately 69 acres of land, pier and apron space and including a container yard, Shed buildings "A" and "D," office, break and other buildings for maintenance and repair and operations, vessel berths A, B, C and D and Port-owned equipment including four (4) container cranes, all as shown on ***Exhibit A*** attached hereto and incorporated by reference herein.

"**Facility Systems**" means the plumbing, electrical, fire protection, life safety, security and other mechanical, electrical, and communications systems of the Facility.

"**Handle**" or "**Handling**" means to use, generate, process, manufacture, produce, package, treat, transport, store, emit, discharge, or dispose of a Hazardous Material.

"**Hazardous Material**" means any substance, waste, or material that is now or in the future designated by any Regulatory Agency to be capable of posing a present or potential risk of injury to human health or safety, the environment, or property. This definition includes anything designated or defined in any Environmental Law as hazardous, hazardous substance, hazardous waste, toxic, pollutant, or contaminant; any asbestos, asbestos-containing material ("**ACM**"), and presumed asbestos-containing material ("**PACM**"), whether or not part of the structure of any existing improvements at the Facility, any improvements to be constructed by or on behalf of Terminal Operator, or occurring in nature; and other naturally-occurring substances such as petroleum, including crude oil or any fraction, and natural gas or natural gas liquids.

"**Improvements**" means any and all buildings, structures, fixtures or other improvements constructed or installed on any part of the Facility, including those constructed by or on behalf of Terminal Operator pursuant to this Agreement (including, without limitation, any trailers, signs, roads, driveways, parking areas, curbs, walks, fences, walls, stairs, poles, plantings and landscaping).

"**Indemnity**" means to indemnify, protect, defend, and hold harmless forever. "**Indemnification**" and "**Indemnity**" have correlating meanings.

"**Invitees**" means all clients, customers, invitees, patrons, guests, licensees, permittees, and concessionaires of Terminal Operator.

"**Law**" means any present or future law, statute, ordinance, code, resolution, rule, regulation, judicial decision, requirement, proclamation, order, decree, policy (including the Waterfront Land Use Plan), and Regulatory Approval of any regulatory agency with jurisdiction over any portion of the Facility, including Regulatory Approvals issued to Port which require Terminal Operator's compliance, and any and all recorded and legally valid covenants, conditions, and restrictions affecting any portion of the Facility, whether in effect when this Agreement is executed or at any later time and whether or not within the present contemplation of the parties, as amended from time to time.

"**Port**" means the City and County of San Francisco, acting by and through the San Francisco Port Commission and/or Port staff as the context requires.

"**Port Gross Revenues**" means: (i) any and all Tariff Revenues generated during the Term hereof, and (ii) except as provided by Section 3.3(b), any other license, use, or rental revenues generated from use of the Facility whether collected by Port, Terminal Operator, or their respective Agents. All revenues earned by Terminal Operator from its value-added services in auto vehicle processing including those services that are not subject to charges under the Tariff, shall be excluded from Port Gross Revenues.

"**Regulatory Agency**" means the municipal, county, regional, state, or federal government and their bureaus, agencies, departments, divisions, courts, commissions, boards, officers, or other officials, including the San Francisco Bay Conservation and Development Commission, any Environmental Regulatory Agency, Port (in its regulatory capacity), other departments, offices, and commissions of the City and County of San Francisco (each in its regulatory capacity), Port's Chief Harbor Engineer, the Dredged Material Management Office, the State Lands Commission, the Army Corps of Engineers, the United States Department of Labor, the United States Department of Transportation, or any other governmental agency now or later having jurisdiction over Port property.

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

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

"**Tariff**" means the Port of San Francisco Tariff No. 5 on file with the Federal Maritime Commission, as amended or superseded from time to time (including amendments to the numbering designation). Except as otherwise set forth in this Agreement, Terminal Operator, and its Agents and Invitees are contractually bound by all Tariff rates, terms and conditions as if the same were set forth in full herein. The parties agree that neither Tariff Item No. 143 (including its subparts, nor any equivalent amended or successor version of Item No. 143 governing the operation of motor vehicles shall apply to cargo handled at the Terminal under this Agreement. Except as specified in the prior sentence, regarding Item No. 143, in the event of a conflict between the provisions of the Tariff and the provisions of this Agreement, the provisions of this Agreement shall prevail.

"**Tariff Revenue**" shall mean all dockage, wharf age, crane rental, layberthing, demurrage, storage charges, and any other revenues generated in connection with the use of the Facility for which a charge is made under the terms and conditions of the Tariff.

"**Telecommunications Equipment**" means any antennae, telecommunication, or transmission device for transmitting and/or receiving signals.

"**Term**" means the term of this Agreement as described in Section 5, including any Extension Term(s).

"**Terminal Operator**" means Pasha Automotive Services and its Agents.

"**Terminal Operator's Property**" means all furniture, personalty, equipment, trade fixtures, and machinery used in trade by Terminal Operator and used or installed in the Facility by or for the account of Terminal Operator in the ordinary course of businesses without cost to Port which can be removed without damage to the Facility.

"**Transfer**" means any of the following events or proposed events, whether voluntary, involuntary, or by operation of Law: (a) Terminal Operator sells, assigns, encumbers, sublicenses, or otherwise transfers any of its interest in this Agreement; (b) any person other than Terminal Operator occupies or claims a right to use any part of the Facility; (c) Terminal Operator dissolves, merges, consolidates, or otherwise reorganizes, or sells, assigns, encumbers, or otherwise transfers cumulatively or in the aggregate 50 percent or more (25 percent or more if publicly traded) of its equity interests or business assets, such as goodwill, inventory, and profits; or (d) any subtenant, assignee, or other Transferee of Terminal Operator sells, assigns, encumbers, sub-sublicense, or otherwise transfers any of its interest in the Agreement.

3. SERVICES TO BE PERFORMED BY TERMINAL OPERATOR.

3.1. ***Management of the Facility.*** At all times during the Term of this Agreement, Terminal Operator shall have the exclusive right to provide services to marine terminal users at the Facility and to vessels which are layberthed at the Facility. Nothing herein shall be deemed to prohibit cargo operations by other operators at the Port at other locations nor shall it prohibit the establishment of one or more terminal facilities at the Port of San Francisco. Terminal Operator shall operate the Facility for the following purposes only in accordance with this Agreement and industry standards:

(a) assist Port in obtaining a Port-approved berthing or license agreement from each vessel landing at the Facility on the form berthing agreement attached as ***Exhibit I***, as revised from time to time or on another form provided by Port and obtaining proof of insurance in a form acceptable to Port for each vessel and any stevedoring company hired by the vessel;

(b) receipt, handling, processing, storage, transporting, and delivery of cargo to/from the control and care of the stevedoring service provider;

(c) office and gear space used in connection with its management of the Facility;

(d) purposes incidental and necessary to all of the foregoing; and

(e) supplying of sufficient security guard personnel for compliance with the appropriate Facility Security Plan ("**FSP**") required by the Marine Transportation Security Act of 2002 (MTSA) guidelines, including any amendments or changes to the FSP during the Term of this Agreement.

3.2. ***Other Duties and Standards of Management.*** At all times during the Term hereof, Terminal Operator shall also manage the Facility for such other purposes as are reasonably incidental to the operation of a marine cargo terminal. Terminal Operator shall maintain sufficient personnel and equipment needed to provide a level of customer service equal to or exceeding other Northern California marine cargo terminals. Terminal Operator will operate the Facility commensurate with vessel calls and cargo flows. All vessels using the Facility shall be subject to the provisions of the Tariff. Terminal Operator shall ensure that all vessels using the Facility are cognizant of the applicable provisions of the Tariff.

3.3. ***Port's Retained Rights.***

(a) Third Party Leasing. Port may, in its sole discretion, use or allow the use of the Facility for purposes other than marine terminal services, including for contracts, leases, subleases, or licenses with third parties for any use incidental to Port's interests. Port shall not allow the Facility to be used in a manner that would materially interfere with Terminal

Operator's operations at the Facility or materially increase the costs to Terminal Operator of performing its obligations hereunder and Port shall make good faith efforts to encourage such third parties to utilize Terminal Operator's services, as applicable. Terminal Operator agrees to cooperate with Port and to facilitate use by Port-authorized third parties, including providing access to the Facility. Port agrees to require all third party users to Indemnify Terminal Operator to the same extent that Port is indemnified and to name Terminal Operator as an additional insured on any required liability insurance policy. Similarly, Terminal Operator agrees to require all third party users of the Facility that indemnify Terminal Operator to indemnify the Indemnified Parties to the same extent that Terminal Operator is indemnified.

(b) Telecommunications Equipment. Notwithstanding anything to the contrary in this Agreement, Port has the absolute right to use for itself and to deny or grant any third party the right to install, maintain, repair, and replace Telecommunications Equipment within the Facility, including without limitation, the existing Telecommunications Equipment consisting of antennas located on the western side of the roof of Shed D and an equipment shelter located near the northwest corner of Shed D currently operated by Sprint Nextel. Port is entitled to, and will retain, one hundred percent (100%) of all rent, fee, charge, or other sum due and payable by any third party owner or operator of any Telecommunications Equipment within the Facility.

(c) Renewable Energy System. Notwithstanding anything to the contrary in this Agreement, Port shall have the right, in its sole discretion, to install, or cause another party to install, a renewable energy system, using sources such as solar (photovoltaic or solar thermal power), wind, tidal or biofuel power on the roofs of the Facility sheds for the purpose of supplying power to the Facility or other locations.

(d) Emergency Response Equipment. Port may store emergency response equipment (e.g., containerized booms for spill response) at the Facility in mutually-acceptable locations.

(e) Suspension During Natural Disaster. In the event of a natural disaster or other similar emergency, Port has the right to suspend all operations at the Facility should the Facility be needed for emergency and/or disaster-related services or activities.

(f) Shed A Homeless Shelter. Terminal Operator acknowledges that Shed A of the Facility is being used as a homeless shelter. The shelter is scheduled to close on June 30, 2016, at which time the improvements and equipment associated with this use will be demolished and removed from the Facility. Terminal Operator agrees that it will not have use of Shed A until such time as Port can provide written notice that Shed A is available for use. Port's inability to deliver use of Shed A to Terminal Operator shall not affect the validity of this Agreement or any provision of this Agreement (including without limitation any revenue or compensation provisions) and Port shall not be liable to Terminal Operator for any Claims resulting therefrom, and Terminal Operator waives all provisions of any Laws to the contrary. Terminal Operator shall cooperate with Port and City to accommodate demolition and removal of the equipment used for the homeless shelter including without limitation transit of vehicles across the Facility.

(g) Port Sewer Upgrade Project. Terminal Operator acknowledges that Port is planning to fund and conduct a sewer upgrade project which will involve significant trenching at the Terminal during the Term. The parties agree to coordinate with respect to the project and the scheduling and sequencing of construction work in order to minimize interference with the project and operation of the Facility.

3.4. ***Promotion of the Facility.*** Terminal Operator shall promote use of the Facility and shall cooperate with Port in such promotion. Terminal Operator therefore agrees to solicit new business for the Port of San Francisco at the Facility including, but not limited to, the making of formal business proposals to companies as appropriate, supporting the marketing programs of companies which use the Facility, and maintaining a high level of customer service at the Facility. Port and Terminal Operator shall meet within thirty (30) days of the San Francisco Port Commission's approval of this Agreement to jointly define targeted companies

and develop a marketing and sales plan. Thereafter, Terminal Operator and Port will meet on no less than a quarterly basis (every 90 days) to review the marketing and sales plan and update as needed. The parties agree to work together to maximize berth utilization and revenues from the Facility for automotive and other marine cargo.

3.5. ***Reporting.*** Terminal Operator shall report by the fifteenth (15th) day of the following month for each month during the Term the following information substantially the form of the Activity Report attached hereto as ***Exhibit B***, summarizing for each activity: (i) the name, size and berthing duration of each vessel (if relevant), (ii) all cargo loaded, discharged and rehandled at the Facility by each vessel, truck or other means, and (iii) all use of the Port's cranes with a separate description of use between breakbulk and container cargo operations. In addition, Terminal Operator shall report any other activity that would generate Port Gross Revenues by the fifteenth (15th) day of the following month any such activity in a form acceptable to the parties.

3.6. ***Books and Records.*** Terminal Operator shall keep accurate books and records according to generally accepted accounting principles with respect to its operations at the Facility. "**Books and records**" means all bookkeeping or accounting documents Terminal Operator utilizes in managing its business operations relating to this Agreement including, but not limited to, vessel occupancy of berths at the Facility, and the number of motor vehicles entering the Facility as cargo, and invoices. Terminal Operator shall not co-mingle personal funds with business funds

3.7. ***Audit.*** Terminal Operator shall, upon reasonable notice by Port, make its books and records relating to this Agreement available to Port, or to any City auditor, or to any auditor or representative designated by Port (hereinafter collectively referred to as "**Port's representative**"), for the purpose of examining said books and records to determine the accuracy of Terminal Operator's reporting and records. Terminal Operator shall maintain books and records for a minimum of five (5) years and shall be maintained and/or made available in San Francisco to Port's representative for the purpose of auditing or re-auditing these accounts; except that, if an audit is made within said five-year period and Port claims that errors or omissions have occurred, the books and records shall be retained and made available until those matters are resolved.

3.8. ***Security.*** Terminal Operator shall provide at its own expense such security measures as are necessary for fulfilling the requirements and complying with the regulations of the Federal Maritime Transportation Security Act of 2002 ("**MTSA**"). This will include the preparation of plans or manuals and making any physical changes to the Facility's security that may be required by Laws enacted after the Commencement Date. Terminal Operator will provide plans or amendments as required by the MTSA and obtain all necessary approvals in a timely manner, and then submit a copy of the United States Coast Guard's approval and authorization of such plan or amendment to Port. The parties acknowledge that Terminal Operator reserves the right to pass such costs through to the end users of the Facility.

3.9. ***Amendments to Tariff.*** The Port Commission has the sole and exclusive authority to adopt changes to the Tariff. At least ninety (90) days prior to making any material amendments to the Tariff which would adversely affect Terminal Operator's operations hereunder, Port shall provide Terminal Operator with written notice of the proposed amendments. If Terminal Operator, in its sole discretion, determines that the amendments would significantly and adversely impact the potential total revenue or marketability of the Facility, Terminal Operator shall notify Port in writing within fifteen (15) days of the date of Port's notice, setting forth its determination and rationale.

If the Port Commission amends the Tariff in a manner that adversely affects Terminal Operator's operations or revenues under this Agreement, then, Port and Terminal Operator shall enter into good faith discussions to quantify such adverse impact and may reasonably adjust the Terminal Operator's compensation ("**Compensation Adjustment**") payable under this Agreement through an amendment to this Agreement, subject to approval by the Port Commission and/or Board of Supervisors as required. If Port and Terminal Operator are unable to mitigate the adverse impacts and/or unable to agree on the value of the impact for purposes of Compensation

Adjustment within sixty (60) days after their first meeting, then the parties may, by mutual agreement, submit any factual or other (to the extent Port is not prohibited by law or otherwise from doing so) dispute to non-binding arbitration, mediation or other alternate dispute resolution mechanism ("**ADR**") of non-judicial dispute resolution. The party requesting ADR shall give written notice of its request, specifying the requested ADR procedure, to the other parties, who shall notify the requesting parties of its agreement or refusal to proceed within a reasonable time after receipt of the requesting notice. If the parties agree to proceed, they shall select a mutually acceptable individual, with qualifications appropriate to the subject matter of the dispute, to conduct the designated ADR, or, if the parties cannot agree on such individual, they shall submit the dispute for the applicable ADR to a commercial ADR service. In any event, the proceedings shall be conducted only in a manner acceptable to both parties. The parties may enter into operating memoranda from time to time to establish procedures for the initiation and conduct of such ADR mechanisms. If the parties are able to agree on a Compensation Adjustment through the ADR process, they shall amend this Agreement accordingly, subject to approval by the Port Commission and/or Board of Supervisors as required. If the parties are unable to agree within ninety (90) days of submitting a dispute to ADR, either party may terminate this Agreement.

Each party shall bear its own fees, costs and expenses during any ADR process.

Terminal Operator agrees that the parties' rights and obligations under this Section do not apply to any amendments to the Tariff made in conjunction with the negotiation and execution of this Agreement.

3.10. ***License Only.*** The parties acknowledge that Terminal Operator is acting as Port's management contractor in the operation of the Facility and this Agreement only gives Terminal Operator a license to use the Facility and does not constitute a grant by Port of any ownership, leasehold, easement, or other property interest or estate whatsoever in the Facility, or any portion thereof. ..

3.11. ***As Is Condition.*** Terminal Operator represents and warrants to Port that it has investigated and inspected, either independently or through agents of its own choosing, the condition of the Facility and its suitability for Terminal Operator's business and intended use and shall, as of the Commencement Date be deemed to have accepted the Facility AS IS. Terminal Operator acknowledges that it has participated in a joint inspection of the Facility and concurs with those items listed in the Joint Maintenance and Facility Survey attached hereto as ***Exhibit C*** that may require maintenance, repair or replacement. Terminal Operator further acknowledges and agrees that neither Port nor any of its Agents have made, and Port hereby disclaims, any representations or warranties, express or implied, concerning the physical or environmental condition of the Facility (including, but not limited to the substructure), the present or future suitability of the Facility for Terminal Operator's business, or any other matter whatsoever relating to the Facility, including, without limitation, any implied warranties of merchantability or fitness for a particular purpose.

Terminal Operator represents and warrants to Port that it has received and reviewed the Federal Emergency Management Agency ("**FEMA**") disclosure notice attached as ***Schedule 1*** and a copy of the report(s) relating to the substructure and/or structure of the Facility, as further described in the attached ***Schedule 2***. Terminal Operator is further hereby advised that Hazardous Materials may be present on or near the Facility, including, but not limited to, vehicle fluids, janitorial products, tobacco smoke, and building materials containing chemicals, such as asbestos, naturally-occurring radionuclides, lead and formaldehyde and the Hazardous Materials described in the reports and documents listed in the attached ***Schedule 3***, copies of which have been made available to Terminal Operator. By execution of this Agreement, Terminal Operator acknowledges that the notice set forth in this section satisfies any applicable requirements of California Health and Safety Code Section 25359.7 and related Laws. Terminal Operator agrees to disclose the information contained in this Section to its Agents and Invitees as appropriate.

California law requires certain disclosures regarding whether property has undergone inspection by a Certified Access Specialist ("**CASp**") to determine whether it meets all applicable

construction-related accessibility requirements. Terminal Operator is hereby advised that the Facilities has not been inspected by a CASp.

3.12. ***Prohibited Activities.*** Terminal Operator agrees that the following activities are inconsistent with this Agreement and strictly prohibited:

(a) any activity, or the maintaining of any object, which is not within the scope of Terminal Operator's rights or duties under this Agreement;

(b) any activity, or the maintaining of any object, which will in any way increase the existing rate of, affect or cause a cancellation of, any fire or other insurance policy covering the Facility, any part thereof or any of its contents;

(c) any activity or object which will overload or cause damage to the Facility;

(d) any activity which constitutes waste or nuisance, including, but not limited to, the preparation, manufacture or mixing of anything that might emit any objectionable odors, noises or lights onto adjacent properties, or the use of loudspeakers or sound or light apparatus which can be heard or seen outside the Facility, except to the extent that such activities are customarily found in similar facilities;

(e) subject to Section 3.3(a), any activity which will in any way injure, obstruct or interfere with the rights of other authorized users of the Facility or of owners or occupants of adjacent properties, including, but not limited to, rights of ingress and egress;

(f) any auction, distress, fire, bankruptcy or going out of business sale at the Facility without the prior written consent of Port, which consent may be granted, conditioned, or withheld in the sole and absolute discretion of Port;

(g) any fueling or vehicle and equipment washing or maintenance that does not comply with the Port-approved Operations Plan.

3.13. ***Port's Right of Entry.*** Except in the event of an emergency, during which Port may enter the Facility at any time without prior notice, Port and its Agents may enter the Facility at all reasonable times after making reasonable efforts to inform Terminal Operator of such entry, in order to carry out its rights and obligations pursuant to Sections 3.3 (Port's Retained Rights); inspect, improve, maintain, repair and protect the Facility; post notices of nonresponsibility for alterations, additions, or repairs, or for fire or police purposes, or for any other purpose incidental to Port's interests in the Facility, all without any liability on the part of Port for any loss to Terminal Operator unless such loss is solely attributable to Port's negligence. The rights of Port hereunder shall not be deemed to impose any obligation on Port to police the Facility or to make inspections to ascertain the condition of the Facility and shall not impose any liability upon Port for failure to police or inspect.

4. REVENUE AND COMPENSATION.

4.1. ***Billing and Collection of Fees.*** Port is responsible for billing and collection of all revenues from leases or other agreements under Section 3.3(a). Terminal Operator is responsible for billing and collection of all (i) Tariff Revenues and (ii) Port Gross Revenues it generates through activities other than those subject to charges under the Tariff.

4.2. ***Payments.***

(a) Port Payment to Terminal Operator.

(i) Monthly Operating Fee. In consideration for Terminal Operator's performance of its obligations hereunder, Port shall pay Terminal Operator Fifty Thousand Dollars ($50,000) each month.

(b) Share of Revenues. Terminal Operator shall share in Port Gross Revenues as follows:

(i) one hundred percent of Port Gross Revenues up to $799,999 in each Contract Year, plus

construction-related accessibility requirements. Terminal Operator is hereby advised that the Facilities has not been inspected by a CASp.

3.12. ***Prohibited Activities.*** Terminal Operator agrees that the following activities are inconsistent with this Agreement and strictly prohibited:

(a) any activity, or the maintaining of any object, which is not within the scope of Terminal Operator's rights or duties under this Agreement;

(b) any activity, or the maintaining of any object, which will in any way increase the existing rate of, affect or cause a cancellation of, any fire or other insurance policy covering the Facility, any part thereof or any of its contents;

(c) any activity or object which will overload or cause damage to the Facility;

(d) any activity which constitutes waste or nuisance, including, but not limited to, the preparation, manufacture or mixing of anything that might emit any objectionable odors, noises or lights onto adjacent properties, or the use of loudspeakers or sound or light apparatus which can be heard or seen outside the Facility, except to the extent that such activities are customarily found in similar facilities;

(e) subject to Section 3.3(a), any activity which will in any way injure, obstruct or interfere with the rights of other authorized users of the Facility or of owners or occupants of adjacent properties, including, but not limited to, rights of ingress and egress;

(f) any auction, distress, fire, bankruptcy or going out of business sale at the Facility without the prior written consent of Port, which consent may be granted, conditioned, or withheld in the sole and absolute discretion of Port;

(g) any fueling or vehicle and equipment washing or maintenance that does not comply with the Port-approved Operations Plan.

3.13. ***Port's Right of Entry.*** Except in the event of an emergency, during which Port may enter the Facility at any time without prior notice, Port and its Agents may enter the Facility at all reasonable times after making reasonable efforts to inform Terminal Operator of such entry, in order to carry out its rights and obligations pursuant to Sections 3.3 (Port's Retained Rights); inspect, improve, maintain, repair and protect the Facility; post notices of nonresponsibility for alterations, additions, or repairs, or for fire or police purposes, or for any other purpose incidental to Port's interests in the Facility, all without any liability on the part of Port for any loss to Terminal Operator unless such loss is solely attributable to Port's negligence. The rights of Port hereunder shall not be deemed to impose any obligation on Port to police the Facility or to make inspections to ascertain the condition of the Facility and shall not impose any liability upon Port for failure to police or inspect.

4. REVENUE AND COMPENSATION.

4.1. ***Billing and Collection of Fees.*** Port is responsible for billing and collection of all revenues from leases or other agreements under Section 3.3(a). Terminal Operator is responsible for billing and collection of all (i) Tariff Revenues and (ii) Port Gross Revenues it generates through activities other than those subject to charges under the Tariff.

4.2. ***Payments.***

(a) Port Payment to Terminal Operator.

(i) Monthly Operating Fee. In consideration for Terminal Operator's performance of its obligations hereunder, Port shall pay Terminal Operator Fifty Thousand Dollars ($50,000) each month.

(b) Share of Revenues. Terminal Operator shall share in Port Gross Revenues as follows:

~~(i) One hundred percent of Port Gross Revenues up to $700,000 in each Contract Year, plus~~

Peter Dooley 9/12/16
Jon A. Bat 9/12/16

(ii) fifty percent (50%) of Port Gross Revenues, from the first $800,000 generated in each Contract Year, plus

(iii) forty percent (40%) of Port Gross Revenues, from $800,001 to $1,200,000 generated in each Contract Year, plus

(iv) twenty (20%) of Port Gross Revenues, in excess of $1,200,000 generated in each Contract Year.

The remaining percentage shall be Port's.

(c) Revenues from Port leases or other agreements under Section 3.3(a). Port shall pay Terminal Operator its share of revenues based on the allocation in subsection (b) above.

(d) Manner of Payment.

(i) Reporting of Revenues. No later than the fifteenth (15th) day of the month for each month during the Term hereof, Terminal Operator shall deliver to Port , a report (the "**Monthly Report**") in such form substantially similar to ***Exhibit D*** attached hereto showing (1) Tariff Revenues for the preceding calendar month, (2) any Port Gross Revenues generated by Port and/or Terminal Operator that are not included as Tariff Revenues for the preceding calendar month, (3) a calculation of the Port Gross Revenues due to each party for the prior month in accordance with Section 4.2 hereof, and (4) a cumulative total of all amounts of Port Gross Revenues allocated in accordance with Section 4.2 hereof to Port and to Terminal Operator for the prior twelve (12) month period.

(ii) Payment by Terminal Operator. Terminal Operator shall pay Port's share of Port's Gross Revenue for each month upon submittal of the Monthly Report.

4.3. ***No Further Compensation***. Except as provided in Section 4.2 (Payments to Terminal Operator), Terminal Operator shall not be entitled to any further compensation or remuneration from the Port for its services pursuant to this Agreement.

5. TERM; EXTENSION OPTIONS.

5.1. ***Term***. The term of this Agreement shall be fifteen (15) years, commencing on the Commencement Date and expiring on the Expiration Date.

5.2. ***Extension Term(s)***. Provided that Terminal Operator is not in material default of this Agreement, Terminal Operator may extend this Agreement for two (2) additional successive five (5) year periods (each an "**Extension Term**") under the terms and conditions of this Section. Terminal Operator shall provide written notice of its desire to extend for an Extension Term to Port no later than Three Hundred Sixty Five (365) days prior to the relevant Expiration Date. Within ninety (90) days of Terminal Operator's notice, Port shall notify Terminal Operator in writing of Port's determination made in good faith of the revenue sharing allocation and formula that will be applicable to the relevant Extension Term (including the factors in Section 4.2(a) and (b) and the components thereof) (the "**Extension Term Adjusted Compensation**"). Port's determination of the Extension Term Adjusted Compensation will be based on its market analysis of similar automobile and other maritime cargo handling operations at west coast ports with similar facilities including infrastructure. Within thirty (30) days after receipt of Port's determination of the Extension Term Adjusted Compensation, Terminal Operator shall notify Port in writing either of (i) Terminal Operator's acceptance of such determination, in which case such determination shall constitute the new compensation formula under this Agreement for the relevant Extension Term, or (ii) Terminal Operator's own good faith determination of the Extension Term Adjusted Compensation, including written justification for its determination. If Terminal Operator fails to notify Port within the 30-day period, then Port's determination of the Extension Term Adjusted Compensation shall constitute the new compensation formula under this Agreement for the relevant Extension Term.

If Port and Terminal Operator are unable to agree on the Extension Term Adjusted Compensation within sixty (60) days after Terminal Operator's notice under (ii) above, then the parties may, by mutual agreement, submit the dispute for ADR as described in Section 3.9. If

the parties are able to agree on the Extension Term Adjusted Compensation through the ADR process, it shall constitute the new compensation formula under this Agreement for the relevant Extension Term without further action by the parties. If the parties are unable to agree on the Extension Term Adjusted Compensation within ninety (90) days of submitting a dispute to ADR, either party may terminate negotiations and this Agreement will expire on the relevant expiration date.

If, for any reason, the Extension Term Adjusted Compensation is not finally determined by the commencement date of the relevant Extension Term, the parties may, by mutual written agreement, extend the Term of this Agreement on a month to month basis, and in such case, the new compensation formula for the relevant Extension Term shall be the Extension Term Adjusted Compensation as initially determined by Port. If the new compensation formula is later determined to be something other than the Port's Extension Term Adjusted Compensation, the final Extension Term Adjusted Compensation shall be retroactive to the commencement date of the relevant Extension Term and each party's compensation shall be retroactively adjusted as necessary.

If Port has given notice of a material Event of Default which has not been timely cured by Terminal Operator at the time of Terminal Operator's initial notice or at any time prior to the first day of the Extension Term, then Port may elect by written notice to Terminal Operator not to extend and this Agreement will expire as of the original or then-applicable Expiration Date.

Except as to the Extension Term Adjusted Compensation, all of the terms, covenants and conditions of this Agreement shall apply during an Extension Term.

6. FINANCIAL ASSURANCES.

6.1. *Environmental Oversight Deposit.*

Prior to the Commencement Date of this Agreement, Terminal Operator shall deliver to Port an environmental oversight deposit (**"Environmental Oversight Deposit"**) in cash, in an amount equal to Ten Thousand Dollars ($10,000.00), as security for the recovery of Port's costs and expenses related to the increased inspection, monitoring, enforcement and administration of this Management Agreement; provided, however, that the Environmental Oversight Deposit shall not be deemed an advance payment, or a measure of Port's damages upon an Event of Default.

If a notice of violation or other regulatory order from a Regulatory Agency with jurisdiction over the Facility and/or Terminal Operator 's activities and operations (in each case, an **"Environmental Notice"**) is delivered to Terminal Operator and Terminal Operator does not cure or actively work to cure such Environmental Notice within fourteen (14) calendar days after its delivery, Port may use, apply, or retain the Environmental Oversight Deposit in whole or in part to reimburse Port for administrative costs and expenses incurred by Port while inspecting and monitoring the conditions of the Facility and enforcing and administering Terminal Operator's environmental obligations (including, but not limited to staff time corresponding with and responding to regulatory agencies and collection and laboratory analysis of environmental samples).

If an Environmental Notice is delivered to Terminal Operator and such notice of violation is cured, or regulatory order is complied with, within fourteen (14) calendar days after delivery of such Environmental Notice, Port may use and apply from the Environmental Oversight Deposit an amount equal to Five Hundred Dollars ($500.00) for each Environmental Notice delivered to Terminal Operator to reimburse Port for its administrative cost and expense. The parties agree that the foregoing charge relating to each Environmental Notice delivered to Terminal Operator represents a fair and reasonable estimate of the administrative cost and expense Port will incur by reason of Port staff time devoted to its response and action to each Environmental Notice.

Terminal Operator shall, immediately upon demand, pay Port a sum equal to the portion of the Environmental Oversight Deposit expended or applied by Port. If Terminal Operator shall fail to replenish the amount used or applied by Port from the Environmental Oversight Deposit within ten (10) business days after demand by Port, such failure shall constitute an Event of

Default. Provided that there are no outstanding Environmental Notices and Terminal Operator delivers the Facility to Port, Port shall return the balance of the Environmental Oversight Deposit, if any, to Terminal Operator within thirty (30) days after Port takes full and complete possession of the Facility. Port's obligations with respect to the Environmental Oversight Deposit are those of a debtor and not a trustee, and Port may commingle the Environmental Oversight Deposit or use it in connection with its business. Terminal Operator shall not be entitled to any interest on the Environmental Oversight Deposit.

6.2. ***Security Deposit.***

Prior to the Commencement Date, Terminal Operator shall deliver to Port, in addition to the advance payment of the Environmental Oversight Deposit, cash or an irrevocable, stand-by and unconditional negotiable letter of credit (the "**Letter of Credit**") in the amount of One Hundred Thousand Dollars ($100,000), as collateral for the full and faithful performance by Terminal Operator of its obligations under this Agreement ("**Obligation**"), however, that neither the Letter of Credit nor any Letter of Credit Proceeds (as defined below) shall be deemed an advance payment of any kind, or a measure of Port's damages upon an Event of Default.

Provided that Port gives Terminal Operator written notice of Terminal Operator's default or failure to perform any Obligation, and Terminal Operator does not cure or actively work to cure such default or perform such Obligation within the cure period provided in Section 12, Port may (but shall not be required to) draw upon the Letter of Credit in such amount as is necessary, and may use the proceeds therefrom (the "**Letter of Credit Proceeds**") or any portion thereof to cure any defaults on the part of Terminal Operator or to compensate Port for any damage Port incurs as a result of Terminal Operator's failure to perform any of the Obligations. In such event and upon written notice from Port to Terminal Operator specifying the amount of the Letter of Credit Proceeds so utilized by Port and the particular purpose for which such amount was applied, Terminal Operator shall immediately deliver to Port an amendment to the Letter of Credit or a replacement Letter of Credit so that the face amount shall be maintained in the sum of One Hundred Thousand Dollars ($100,000). Terminal Operator's failure to deliver such an amendment or replacement Letter of Credit to Port within ten (10) days of Port's notice shall constitute an immediate Event of Default hereunder. In the event Port transfers its interest in this Agreement, Port shall transfer the Letter of Credit and any Letter of Credit Proceeds then held by Port to Port's successor in interest, and thereafter Port shall have no further liability to Terminal Operator with respect to such Letter of Credit or Letter of Credit Proceeds.

The Letter of Credit shall be in a form acceptable to Port and otherwise containing the terms required herein, issued by a money-center bank (a bank which accepts deposits, maintains accounts, and whose deposits are insured by the FDIC) with an office in the financial district of San Francisco where the Letter of Credit may be drawn, and otherwise reasonably satisfactory to Port (the "**Bank**"). The Letter of Credit shall (i) be at sight and irrevocable; (ii) be subject to the terms of this Section 6.2 and maintained in effect, whether through replacement, renewal or extension, for the entire period from the date of execution of this Agreement through the date that is ninety (90) days after the last day of the Term of this Agreement (the "**LC Expiration Date**"), and to the extent the Letter of Credit delivered to Port does not extend by its terms until the LC Expiration Date, Terminal Operator shall deliver a new Letter of Credit or certificate of renewal or extension to Port at least sixty (60) days prior to the expiration of the Letter of Credit, without any action whatsoever on the part of Port; (iii) provide that Port may make partial and multiple draws thereunder, up to the face amount thereof, and the Bank will pay to Port the amount of such draw upon receipt by the Bank of a sight draft signed by Port, and accompanied by a written certification from Port to the Bank stating either that: (A) a default has occurred and is continuing under this Agreement and any applicable grace period has expired or Port is otherwise entitled to draw on the Letter of Credit (the Letter of Credit will be honored by the issuing Bank without inquiry as to the accuracy thereof and regardless of whether the Terminal Operator disputes the content of such statement), or (B) Port has not received notice from the Bank at least sixty (60) days prior to the then current expiration date of the Letter of Credit that the Letter of Credit will be renewed by the Bank for at least one (1) year beyond the relevant annual expiration date or, in the case of the last year of the Term, until the LC Expiration Date,

together with a replacement Letter of Credit or a modification to the existing Letter of Credit effectuating such renewal, and Terminal Operator has not otherwise furnished Port with a replacement Letter of Credit as hereinafter provided; (iv) that the beneficial interest under the Letter of Credit shall be freely transferable one or more times and, therefore, in the event of Port's (or any successor landlord's) assignment or other transfer of its interest in this Agreement, the Letter of Credit shall be freely transferable by Port (or any successor landlord), without recourse and without the payment of any fee or consideration by Port, to the assignee or transferee of such interest and the Bank shall confirm the same to Port (or such successor) and such assignee or transferee; and (v) provide that Port may at all times, draw on the Letter of Credit at a Bank's office located in the Downtown/Financial District of San Francisco. In the event that the Bank shall fail to notify Port that the Letter of Credit will be renewed for at least one (1) year beyond the then applicable expiration date (or, in the case of the last year of the Term, until the LC Expiration Date), and deliver to Port a replacement Letter of Credit or a modification to the existing Letter of Credit effectuating such renewal, and Terminal Operator shall not have otherwise delivered to Port, at least sixty (60) days prior to the relevant annual expiration date, a replacement Letter of Credit in the amount required hereunder and otherwise meeting the requirements set forth above, then Port shall be entitled to draw on the Letter of Credit as provided above, and shall hold the proceeds of such draw as Letter of Credit Proceeds.

Port shall not be required to keep the Letter of Credit Proceeds separate from its general funds and Terminal Operator shall not be entitled to any interest on the Letter of Credit Proceeds. Nothing contained in this Section 6.2 shall in any way diminish or be construed as waiving any of Port's other remedies set forth in this Agreement or provided by law or equity.

Terminal Operator hereby waives the provisions of California Civil Code Section 1950.7 and/or any successor statute to the extent applicable. Terminal Operator agrees not to interfere in any way with payment to Port of the Letter of Credit Proceeds, either prior to or following a "draw" by Port of any portion of the Letter of Credit, regardless of whether any dispute exists between Terminal Operator and Port as to Port's right to draw from the Letter of Credit provided, however, that if any dispute exists between Terminal Operator and Port as to Port's right to draw from the Letter of Credit, Terminal Operator shall be entitled to seek repayment of the amount of the Port's draw of the Letter of Credit Proceeds, including interest on such Proceeds at the prevailing rate at the bank which issued the Letter of Credit. No condition or term of this Agreement shall be deemed to render the Letter of Credit conditional to justify the issuer of the Letter of Credit in failing to honor a drawing upon such Letter of Credit in a timely manner.

Terminal Operator hereby waives the provisions of California Civil Code Section 1950.7 and/or any successor statute which provides the return of a security deposit within thirty (30) days from the date the landlord receives possession of the Facility, it being expressly agreed that the Letter of Credit shall expire on the LC Expiration Date (which date is beyond such thirty (30) day period) and that Port shall have until the LC Expiration Date to return to Terminal Operator, the Letter of Credit Proceeds, if any.

7. STATUS AS INDEPENDENT CONTRACTOR.

7.1. ***Independent Contractor.*** Terminal Operator acknowledges and agrees that it shall be deemed at all times to be an independent contractor wholly responsible for the manner in which it performs the services and work requested by Port under this Agreement. Terminal Operator warrants to Port that the services will be performed with the degree of skill and care that is required by current, good and sound professional procedures and practices, and in conformance with generally accepted professional standards prevailing at the time the services are performed so as to ensure that all services performed are correct and appropriate for the purposes contemplated in this Agreement. Neither Terminal Operator nor its Agents will represent or hold themselves out to be employees of the City at any time. Neither Terminal Operator nor any of its Agents shall have employee status with City, nor be entitled to participate in any plans, arrangements, or distributions by City pertaining to or in connection with any retirement, health or other benefits that City may offer its employees. Terminal Operator, and not Port, shall be responsible for all obligations and payments for Terminal Operator's Agents ,

whether imposed by federal, state or local law, including, but not limited to, FICA, income tax withholdings, unemployment compensation, insurance, and other similar responsibilities related to its performing services and work. Nothing in this Agreement shall be construed as creating an employment or agency relationship between City and Terminal Operator or any Agent of Terminal Operator.

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

7.2. ***Subcontracting***. Terminal Operator is responsible for its subcontractors throughout the course of the work required to perform the services. Each subcontractor must agree to be bound by all of the provisions of this Agreement and all subcontracts must incorporate the terms of Section 25, unless inapplicable. Neither party shall, on the basis of this Agreement, contract on behalf of, or in the name of, the other party. Any agreement made in violation of this provision shall be null and void. Port shall have no obligations to any subcontractor.

8. **CONDEMNATION.** If title to the Facility or any portion thereof, is taken for any public or quasi-public use under any statute, by right of eminent domain (a "taking") or by private purchase in lieu of eminent domain, Terminal Operator shall not be entitled to any compensation. If the extent of the taking reduces the economic viability of the Facility, the parties agree to enter into good faith negotiations as provided in Section 3.9 to address the economic impact to Port and Terminal Operator.

9. **UTILITIES.** Terminal Operator shall purchase, at its expense, electricity from Hetch Hetchy Water and Power. Telephone service and natural gas for the Facility shall be procured and paid for by Terminal Operator from the utility companies providing such services. Terminal Operator shall obtain, at its sole expense, water service and sewer service from City, including without limitation all connection, service, discharge and other sewer fees and charges. Port will insure that all utilities serving the Facility are operating on the Commencement Date; however, Port makes no representation or warrant that utility service will not be interrupted. Port shall not be liable in damages or otherwise for any failures or interruption of any utility services to the Facility, unless such interruption is a result of Port's willful negligence.

In the event any Law imposes mandatory or voluntary controls on Port or the Facility, relating to the use or conservation of energy, water, gas, light or electricity or the reduction of automobile or other emissions, or the provision of any other utility or service provided with respect to this Agreement, or in the event Port is required or elects to make alterations to any part of the Facility in order to comply with such mandatory or voluntary controls or guidelines, such compliance and the making of such alterations shall in no event entitle Terminal Operator to any damages, relieve Terminal Operator of its obligations to perform each of its other covenants hereunder. Port shall have the right at any time to install meters in the Facility or otherwise to measure the amount of water or electricity consumed at the Facility, and the cost of such meter or other corrective measures and the installation and maintenance thereof shall be paid for by Terminal Operator.

Terminal Operator shall obtain energy efficiency audits and annually measure and disclose energy performance, in accordance with the standards of the San Francisco Environment Code Chapter 20: Existing Commercial Buildings Energy Performance. These requirements are necessary to comply with the Energy Performance, Data Checklist, and Facility Summary requirements set forth in the California Public Resources Code Section 25402.10 et seq. and 8 CCR § 1680 et seq.. Terminal Operator acknowledges that Port currently has no data to disclose regarding energy performance of the buildings within the Facility.

10. MAINTENANCE AND REPAIRS.

10.1. ***Terminal Operator's Obligations.*** Except for Port's obligations for maintenance and repairs as provided in Section 10.4, Terminal Operator shall at all times during the Term maintain and repair the Facility and keep it in a neat, clean, safe and orderly condition, wear and tear excepted. Without limiting the prior sentence, Terminal Operator shall maintain and repair the following to the extent that they are operational as of the Commencement Date:

(a) mechanical pipes/plumbing infrastructure except for plumbing under the pier deck surface;

(b) all interior and indoor lighting;

(c) all light bulb replacement;

(d) all roll-up doors, man doors, fencing and gates; and

(e) drainage throughout the Facility including maintaining operable storm drains.

The Joint Maintenance and Facility Survey will provide further details to delineate the items listed above.

10.2. ***Storm Water Pollution Prevention Plan.*** Prior to beginning operations, Terminal Operator must obtain a Stormwater Industrial General Permit under the National Pollutant Discharge Elimination System (NPDES) General Permit for Storm Water Discharges Associated with Industrial Activities (Order NPDES No . CAS000001) and develop and implement a site-specific Storm Water Pollution Prevention Plan (**"SWPPP"**) approved by Port. At a minimum, the SWPPP shall comply with state requirements and include Best Management Practices (**"BMPs"**) and protocols for the management of the following:

(i) Facility cleanliness, including debris removal, to include both the exterior pier area and the shed interiors.

(ii) Spill prevention and response, including to a release of Hazardous Materials from containers or vehicles (i.e., hydraulic lines, motor oils, fuels, etc.).

10.3. ***Operations Plan.*** All operations at the Facility shall comply with the Port-approved Operations Plan (**"Operations Plan"**) attached hereto as ***Exhibit E***. The Operations Plan describes major operations at the Facility, including those requiring Handling Hazardous Materials, applicable environmental/regulatory requirements and protocols and BMPs and a series of appendices that includes a consolidation of operational BMPs, pertinent Port rules and regulations and additional supporting documents. Failure to comply with the Operations Plan is a material default of this Agreement. Port may, from time to time, review the Operations Plan and make recommendations for revisions. All revisions to the Operations Plan, whether initiated by Port or Terminal Operator, are subject to Port approval, in its sole discretion.

10.4. ***Port's Obligations.*** Port shall, at its expense, use good faith efforts to maintain and repair the following, subject to availability of adequate funding as approved and appropriated by the Port Commission and Board of Supervisors:

(a) Vessel berths A, B, C and D including dredging and fender systems. Port shall use good faith efforts to maintain the berthing spaces to a maximum depth of thirty-eight (38) feet mean lower low water (MMLW) to accommodate vessels calling at the Facility; provided, however, that in the event dredging becomes impracticable for regulatory or other reasons, Port shall not be obligated to dredge such berthing spaces;

(b) Structural elements of utilities (including power transformers), buildings (including roofs and gutter systems), yards, wharves, mooring points and seawalls;

(c) Container cranes and crane power supplies. This includes providing a crane mechanic on-site during times when a container crane is in operation;

(d) Railroad and container crane trackage;

(e) Yard lighting, including security lighting (except bulbs);

(f) Plumbing below pier deck surface; and

(g) Pier structure, including piles, beams, surface.

10.5. ***Failure to Make Repairs.*** If, for reasons other than Terminal Operator's or its Agents' or Invitees' negligence or willful misconduct, the items under Section 10.4(a) – (g) are not maintained by Port such that services contemplated under this Agreement cannot reasonably be performed or if the Facility cannot be used as contemplated hereunder due to Port's failure to maintain as required by this Section, Terminal Operator shall notify Port in writing thereof, including a detailed description of the conditions preventing its performance hereunder. Within thirty (30) days after Terminal Operator's notice, Port, in its sole discretion, shall elect in writing whether (i) to remedy the condition as the Port determines necessary in its sole discretion, through repairs, dredging or otherwise subject to appropriations by the Port Commission and Board of Supervisors; or (ii) terminate this Agreement. If Port elects to terminate this Agreement, such termination shall become effective immediately upon Port's notice or such later date as the parties' mutually agree and Port shall have no further liability under this Agreement after such date.

If Port elects to undertake the necessary repairs or dredging, Terminal Operator shall be relieved of its obligations hereunder until such time as Port remedies the applicable conditions that will allow operations to resume.

In Port's sole discretion, and subject to appropriations by the Port Commission and Board of Supervisors, Port may request that Terminal Operator conduct the necessary repairs and request reimbursement of such costs by Port in a manner agreed to by the parties. All work by Terminal Operator must comply with Section 11, unless otherwise agreed by Port in writing at the time Port authorizes the work. Port will reimburse Terminal Operator in the manner described in Section 11.3(a)-(g) excluding Section 11.3(f)(A), and except that Port will reimburse Terminal Operator in an amount equal to one hundred percent (100%) of the actual documented cost of the approved repairs.

Notwithstanding anything to the contrary in this Agreement, (i) Port shall have no obligation to repair the Facility, (ii) Terminal Operator shall not be entitled to any reimbursement, and (iii) Terminal Operator shall not be entitled to terminate this Agreement, in the event the need for repairs and maintenance are a result of an act or omission of Terminal Operator or its Agents or Invitees. In no event shall Port be required to repair any damage to Terminal Operator's Property.

10.6. ***Port's Right to Repair.*** Should Terminal Operator fail to perform any maintenance or repair for which it is responsible under Section 10.1 or elsewhere under this Agreement, within thirty (30) days after written notice from Port, Port shall have the option to perform such maintenance or repair. Notwithstanding the foregoing, Port, in its sole discretion, may determine that such maintenance or repair must be completed immediately to correct any condition which is hazardous or which materially and adversely affects the operation of the Facility, in which event Port may perform such maintenance and repair without giving notice to Terminal Operator. Terminal Operator shall within thirty (30) days reimburse Port for the entire cost of maintenance or repair conducted by Port pursuant to this Section 10.6. Such maintenance or repair by Port shall in no event be construed as a waiver of any duty of Terminal Operator under this Agreement and shall be in addition to any other right or remedy Port may have.

If the cost (including, but not limited to, salaries of Port staff and attorneys' fees) of any such repairs or replacements made at Terminal Operator's expense is in excess of Two Thousand Dollars ($2,000), then Terminal Operator shall pay to Port an administrative fee equal to ten percent (10%) of the total "**Hard costs**" of the work. "**Hard costs**" shall include the cost of materials and installation, but shall exclude any costs associated with design, such as architectural fees. With respect to any work where the total hard costs of such work are less than Two Thousand Dollars ($2,000), Terminal Operator shall pay to Port an amount equaling Two Hundred Dollars ($200).

11. IMPROVEMENTS.

11.1. *Terminal Operator's Improvements.*

(a) Terminal Operator shall not make nor cause or suffer to be made, any Improvements to the Facility (i) without the prior written consent of Port, which consent shall not be unreasonably withheld; provided, however, that Port shall have the right in its sole and absolute discretion to consent or to withhold its consent to (A) any Improvements that affect the structural portions of the Facility or the Facility Systems; and (B) any Improvements for which Port may be obligated to pay through reimbursement or otherwise, and (ii) until Terminal Operator shall have procured and paid for all Port and other necessary Regulatory Approvals.

(b) As a condition to giving consent, Port may require Terminal Operator to provide Port, at Terminal Operator's sole cost and expense, one or more financial guarantees, each in a form and issued by a bank or surety acceptable to Port, such as: (i) a standby letter of credit or bond; and/or (ii) a payment and performance bond from Terminal Operator's contractors naming Port as co-obligee, each in a principal amount up to one hundred fifty percent (150%) but not less than one hundred percent (100%) of the estimated costs of the Improvement, to protect Port against any liability for mechanics' and materialmen's liens, stop notices and to ensure completion of work.

(c) At least thirty (30) days before commencing any Improvements, Terminal Operator shall notify Port. Terminal Operator's notice shall be accompanied by final construction documents for the Improvements, if applicable. Port shall have the right to object to any of the Improvements within sixty (60) days after receipt of notice from Terminal Operator. Port's failure to notify Terminal Operator of Port's objection within the 60-day period shall be deemed Port's disapproval.

11.2. ***Construction Requirements.*** All Improvements made by or on behalf of Terminal Operator shall be subject to the following conditions, which Terminal Operator covenants faithfully to perform:

(a) All Improvements shall be performed in a good and workmanlike manner in accordance with plans and specifications previously approved by Port in writing and in compliance with the applicable building, zoning and other applicable Laws, including, but not limited to, compliance with the ADA, and in compliance with the terms of and conditions imposed in any Regulatory Approval or any permit or authorization for the Facility.

(b) All Improvements shall be performed at the sole cost and expense of Terminal Operator or its Agents or Invitees, with reasonable dispatch and prosecuted to completion, and only by duly licensed and bonded contractors or mechanics approved by Port, and subject to any conditions that Port may reasonably impose. Terminal Operator shall be a co-permittee on any permit issued by Port for construction activities at the Facility.

(c) Terminal Operator or its Agents or Invitees, while performing any subsequent construction or maintenance or repair of the Improvements (for purposes of this Section only, "**Work**"), shall undertake commercially reasonable measures in accordance with good construction practices to minimize the risk of injury or damage to adjoining portions of the Facility and Improvements and the surrounding property, or the risk of injury to members of the public, caused by or resulting from the performance of its Work and shall undertake commercially reasonably measures to minimize damage, disruption or inconvenience caused by the Work and make adequate provision for the safety and convenience of all persons affected by the Work. Dust, noise and other effects of the Work shall be controlled using commercially-accepted methods customarily used to control deleterious effects associated with construction projects in populated or developed urban areas. Terminal Operator shall erect appropriate construction barricades substantially enclosing the area of such construction and maintain them until the Work has been substantially completed, to the extent reasonably necessary to minimize the risk of hazardous construction conditions.

(d) At the completion of any Work described in this Section, Terminal Operator shall furnish to Port one reproducible "as built" drawing of all Improvements to the Facility. If Terminal Operator fails to provide such as-built drawings to Port within sixty (60) days after completion of the Improvements, Port, after giving notice to Terminal Operator shall have the right, but not the obligation, to cause the preparation by an architect of Port's choice of "as-built" drawings, at Terminal Operator's sole cost, to be paid by Terminal Operator to Port within thirty (30) days after Port's request therefor.

(e) In the event that ACM is determined to exist in or about the Facility, Terminal Operator shall ensure that all Improvements and any asbestos related work, as further defined in California Health & Safety Code Section 25914.1(b), is performed in compliance with all Laws relating to asbestos, including but not limited to, Cal-OSHA regulations found in Title 8 of the California Code of Regulations, Sections 1502 and 1529. Additionally, Terminal Operator shall distribute notifications to all employees and contractors as required pursuant to California Health & Safety Code Sections 25915 et seq. informing them of the existence of ACM and that moving, drilling, boring, or otherwise disturbing ACM may present a health risk and should not be attempted by an unqualified employee. No Improvements affecting ACM-containing areas or any asbestos related work shall be performed without Port's prior written consent in each instance.

(f) Terminal Operator, on behalf of itself and its Agents and Invitees, shall comply with all requirements of the Port Building Code, Section 3424, and all other Laws, including, without limitation, the California and United States Occupational Health and Safety Acts and their implementing regulations, when the work of Improvements disturbs or removes lead-based or presumed lead-based paint (as described below). Terminal Operator and its Agents and Invitees shall give to Port three (3) business days prior written notice of any disturbance or removal of lead-based or presumed lead-based paint. Further, Terminal Operator and its Agents and Invitees, when disturbing or removing lead-based or presumed lead-based paint, shall not use or cause to be used any of the following methods: (a) acetylene or propane burning and torching; (b) scraping, sanding or grinding without containment barriers or a High Efficiency Particulate Air filter ("**HEPA**") local vacuum exhaust tool; (c) hydroblasting or high-pressure wash without containment barriers, without Port's prior written consent; (d) abrasive blasting or sandblasting without containment barriers or a HEPA vacuum exhaust tool, without Port's prior written consent; and (e) heat guns operating above 1,100 degrees Fahrenheit. Paint on the interior and exterior of buildings built before December 31, 1978, is presumed to be lead-based paint unless lead-based paint testing, as defined in Section 3424 of the Port Building Code, demonstrates an absence of lead-based paint on the surfaces of such buildings. Under this Section 11.2(f), lead-based paint is "**disturbed or removed**" if the work of Alterations or Improvements involves any action that creates friction, pressure, heat or a chemical reaction upon any lead-based or presumed lead-based paint on an interior or exterior surface so as to abrade, loosen, penetrate, cut through or eliminate paint from that surface.

11.3. ***Approved Scope of Work.*** The parties recognize and agree that the certain Improvements to the Facility described in the Scope of Work attached hereto as ***Exhibit F*** are necessary or desirable for auto processing and related services to be provided by Terminal Operator ("**Approved Scope of Work**"). Construction of the Approved Scope of Work shall be in accordance with all of the terms and conditions of this Section 11.

(a) The choice of contractor(s) and costs are within Terminal Operator's sole discretion; however, Terminal Operator agrees to the following. Terminal Operator shall obtain at least three (3) competitive bids from qualified contractors for any portion of the Approved Scope of Work and submit them to the Port prior to the award of any contract along with Terminal Operator's proposed selected contractor(s). The Port shall notify Terminal Operator in writing within thirty (30) days of any reasonable objections to Terminal Operator's proposal. Prior to the execution of any change order for the construction work, Terminal Operator shall notify Port and allow Port ten (10) days to provide reasonable objections.

(b) Upon the earlier of (i) completion of construction of any discrete project or component of the Approved Scope of Work; or, (ii) in the case of work on the Approved

Scope of Work that is done on a time and materials basis, upon the completion of a vendor billing period and presentation of an invoice by a vendor; or (iii) upon the completion of a vendor billing period and presentation of an invoice by a vendor on the Approved Scope of Work, Terminal Operator shall furnish the Port an itemized statement of the actual costs expended by Terminal Operator in constructing the Approved Scope of Work, accompanied by documentation satisfactory to Port evidencing all said expenditures including without limitation, (i) copies of canceled checks, (ii) copies of executed contracts and change orders, (iii) invoices for labor services and/or materials marked "Paid"; or otherwise evidenced as having been paid; bills of lading marked "paid"; other bills, and contracts and receipts for services marked "paid", (iv) and such other proofs of expenditure as may be reasonably approved by Port, and (v) as applicable, partial lien releases or final unconditional lien waivers from each contractor and/or subcontractor for whose services Terminal Operator seeks reimbursement or other documentation satisfactory to Port in its sole discretion. All such proofs of expenditure must be attributable directly to the Approved Scope of Work. The statement shall be in reasonable detail to allow Port to review the costs and shall be certified by a financial officer or other accountant employed by Terminal Operator who is authorized and competent to make such statements, as accurate, complete and current. To the extent Terminal Operator or any party in which Terminal Operator has a direct financial interest performs any of the labor for work subject to credits under this Section, the costs for such labor shall be limited solely to Terminal Operator's actual cost, where "actual cost" means wages plus benefits. In no event shall any "mark-up" for such labor costs be eligible for credits. Additionally, in no event shall the cost of any construction management fees, general administrative costs or other forms of mark-up be eligible for credits. Costs related to Terminal Operator's Property, fees, exactions, impositions, or similar charges imposed as a condition to permit approval shall not be eligible for reimbursement.

(c) Port shall reimburse Terminal Operator in an amount equal to fifty percent (50%) of the of the actual costs of the Approved Scope of Work as demonstrated as set forth in this Section up to a maximum amount of Two Million Dollars ($2,000,000) (**"Port's Contribution"**).

(d) Within thirty (30) days of Terminal Operator's submittal of its costs, Port shall notify Terminal Operator in writing of any disagreement it has with the cost accounting. Port shall immediately reimburse Terminal Operator for the undisputed costs. Any disputed costs may be submitted for dispute resolution under the process described in Section 3.9.

(e) Except as provided in Section (f)(A), Port and Terminal Operator agree that the Port's Contribution shall be paid solely from Port Gross Revenues generated under this Agreement and Port will have no obligation to fund the Port Contribution from any other sources or Port revenues. In the event that overall Port Gross Revenues is not sufficient in amount to reimburse Terminal Operator under this Section, Terminal Operator shall not be entitled to compensation.

(f) Upon satisfaction of the requirements of this Section 11.3, Port shall reimburse Terminal Operator for Port's Contribution in the following manner:

(A) a lump sum payment of Six Hundred Fifty Thousand Dollars ($650,000); and

(B) for the remaining One Million Three Hundred Fifty Thousand Dollars ($1,350,000), on a monthly basis in a maximum amount equal to fifty percent (50%) of the Port's total net revenue for the month (Port Gross Revenue minus Monthly Operating Fee under Section 4.2(a) minus Terminal Operator's share of Port Gross Revenue calculated under Section 4.2(b)) (**"Port Net Revenue"**) to be paid by Port after payment of Port's share of Revenues by Terminal Operator under Section 4.2(d), until the earlier of: (i) full payment of Port's Contribution; or (ii) the expiration or earlier termination of the initial term of this Agreement excluding any Extension Term. In no event, however, shall Terminal Operator be entitled to the Port's Contribution or the value thereof, beyond the expiration or earlier termination of this Agreement.

By way of example only, payments under (B) will be calculated as follows:

Scenario #1

Monthly Port Gross Revenues	$110,000
Monthly Operating Fee to Terminal Operator	$ 50,000
Monthly Terminal Operator Revenue Share	$ 55,000
Total Monthly Due to Terminal Operator	$105,000
Total Monthly Port Net Revenue	$ 5,000
Port's Monthly Contribution of Capital Improvement (50%)	$ 2,500

Scenario #2

Monthly Port Gross Revenues	$0
Monthly Operating Fee to Terminal Operator	$ 50,000
Monthly Terminal Operator Revenue Share	$0
Total Monthly Due to Terminal Operator	$ 50,000
Total Monthly Port Net Revenue	$0
Port's Monthly Contribution of Capital Improvement (50%)	$0

(g) Notwithstanding anything to the contrary in this Agreement, Port shall have no obligation to reimburse Terminal Operator for Port's Contribution in the event Terminal Operator is in default beyond the applicable cure period. Upon the occurrence of a Terminal Operator Event of Default during a period in which Terminal Operator is eligible for reimbursement, Terminal Operator's right to receive any reimbursement shall cease and shall not be reinstated until the Terminal Operator Event of Default is cured.

(h) Other than as set forth in this Section 11.3, Port shall have no obligation to provide, and Terminal Operator shall not be entitled to, reimbursement, a credit, improvement allowance or any other form of consideration in connection with any Improvements.

11.4. ***Improvements Part of Realty.*** Except as specified by Port in writing prior to the expiration or earlier termination of this Agreement, all Improvements constructed on or affixed to the Facility by or on behalf of Terminal Operator shall immediately upon construction or installation become part of the realty owned by Port and shall remain at the end of the Term without compensation to Terminal Operator. Terminal Operator may not remove any such property at any time during or after the Term unless Port so requires.

11.5. ***Removal of Non-Permitted Improvements.*** If Terminal Operator constructs any Improvements without Port's prior written consent or without complying with this Section, then, in addition to any other remedy available to Port, Port may require Terminal Operator to remove, at Terminal Operator's expense, any or all such Improvements and to promptly repair, at Terminal Operator's expense and in good workmanlike fashion, any damage occasioned thereby. Terminal Operator shall pay to Port all special inspection fees as set forth in any applicable building code, standard or regulation, including, without limitation, the Port Building Code, for inspection of work performed without required permits. The foregoing obligation of Terminal Operator to reimburse Port for all cost and expenses incurred by Port in connection with Terminal Operator's failure to comply with the provisions of this Section shall survive the expiration or earlier termination of this Agreement.

11.6. ***Port's Improvements.*** Port may provide, at its expense, any improvements or alterations it reasonably determines to be necessary to expand the through-put capability of the Facility or improve the functionality or safety of the Facility. Title to all structures and buildings and any other permanent improvements constructed or erected upon the Facility by Port or

Terminal Operator, and additions or improvements made thereto by Port, shall vest in and become the property of Port upon completion of construction.

11.7. ***All-Gender Toilet Facilities.*** If applicable, Management Operator shall comply with San Francisco Administrative Code Section 4.1-3 requiring at least one all-gender toilet facility on each floor of any new building on City-owned land and within existing buildings leased by the City, including the Facility, where extensive renovations are made. An "all-gender toilet facility" means a toilet that is not restricted to use by persons of a specific sex or gender identity by means of signage, design, or the installation of fixtures, and "extensive renovations" means any renovation where the construction cost exceeds 50% of the cost of providing the toilet facilities required by this section.

12. DEFAULT; REMEDIES; TERMINATION.

12.1. ***Events of Default.*** The following shall constitute an event of default ("**Event of Default**") by Terminal Operator:

(a) any event, or act or omission on the part of Terminal Operator which deprives Terminal Operator of the rights, powers, licenses, permits, or authorizations necessary for the lawful and proper conduct and operation of the services and activities authorized herein;

(b) the filing by or against Terminal Operator of any petition in bankruptcy, either voluntary or involuntary, or the making by Terminal Operator of any assignment for the benefit of creditors, either of which actions shall automatically terminate this Agreement and bar the passing thereunder of any benefits to creditors, assignees, or transferees of Terminal Operator;

(c) the failure of Terminal Operator to perform any material provision of this Agreement, if such failure to perform is not cured within fifteen (15) days after Port gives notice to Terminal Operator of such failure. If the default cannot reasonably be cured within fifteen (15) days, Terminal Operator shall not be in default of this Agreement if Terminal Operator commences to cure the default within such 15-day period and diligently and in good faith continues to cure the default within forty-five (45) days or such other period reasonably proposed by Terminal Operator and agreed by Port;

(d) notwithstanding the cure period set forth in Subsection 12.1(c), either failure by Terminal Operator to comply with (A) Laws or Terminal Operator's Operations Plan; or (B) the provisions of Section 15 (Hazardous Materials) and failure to cure such default within forty-eight (48) hours following written notice by Port; or

(e) failure by Terminal Operator or Terminal Operator's broker as applicable to provide evidence of insurance coverage complying with the provisions of Section 15 below, failure to maintain any insurance required to be maintained by Terminal Operator pursuant to this Agreement, or if any such insurance shall be canceled or terminated or shall expire or be reduced or materially changed, except as permitted in this Agreement, and Terminal Operator's or Terminal Operator's broker's failure to deliver evidence of such coverage or failure to reinstate such coverage, all within five (5) business days following written notice from Port.

12.2. ***Termination by Port.*** Without limiting any other right it may have hereunder, at law or in equity, Port, in its sole discretion, shall have the right to terminate this Agreement without incurring any liability to Terminal Operator

(a) upon an Event of Default by Terminal Operator; or

(b) upon no less than ninety (90) days' prior written notice if Port determines, in its sole and absolute discretion, that the condition of the Facility's structures, substructure or utilities has deteriorated to a condition that would create a foreseeable risk of hazard to health or safety; provided, however, Port reserves the right to terminate this Agreement upon any shorter or no prior notice that the Port in its sole and absolute discretion determines is justified given the risk of hazard.

(c) from and after the Third Contract Year (starting on July 1, 2019), Port shall have the right to terminate this Agreement if the average annual Port Gross Revenues based on the prior consecutive three year-period is less than One Million Dollars ($1,000,000.00) for the third Contract Year or any Contract Year thereafter. For purposes of illustration, the three year average for Contract Year 3, shall be the average of Port Gross Revenues for the Contract Years ending on: June 30, 2017 (Contract Year 1); June 30, 2018 (Contract Year 2) and June 30, 2019 (Contract Year 3).

12.3. ***Termination by Terminal Operator.*** If Terminal Operator is unable to generate an average on a three-year basis of at least One Million Dollars ($1,000,000) in Port Gross Revenues during the third Contract Year or any Contract Year thereafter, Terminal Operator may in its sole discretion give Port sixty (60) days written notice to terminate. For purposes of illustration, the three year average for Contract Year 7, shall be the average of Port Gross Revenues for the Contract Years ending on: June 30, 2021 (Contract Year 5); June30, 2022 (Contract Year 6) and June30, 2023 (Contract Year 7)

12.4. ***Effect of Termination.*** Upon the effective date of any termination by Port or Terminal Operator under this Section all rights, powers, privileges, and authority granted to Terminal Operator under this Agreement shall cease immediately, and Terminal Operator shall vacate the Facility and all other areas used or occupied by it in connection with its operation hereunder. The exercise by Port or City of the rights and remedies provided in this Agreement shall in no way affect any other right or remedy available to Port or City.

12.5. ***Cessation of Operations.*** Upon receipt of the notice of termination by Port, Terminal Operator shall commence and perform, with diligence, all actions necessary on the part of Terminal Operator to effect the termination of this Agreement on the date specified by Port and to minimize the liability of Terminal Operator and Port to third parties as a result of termination. All such actions shall be subject to the prior approval of Port. Such actions shall include, without limitation:

(a) Halting the performance of all services under this Agreement on the date(s) and in the manner specified by Port.

(b) Terminating all existing orders and subcontracts, and not placing any further orders or subcontracts for materials, services, equipment or other items.

(c) At Port's direction, assigning to Port any or all of Terminal Operator's right, title, and interest under the orders and subcontracts terminated. Upon such assignment, Port shall have the right, in its sole discretion, to settle or pay any or all claims arising out of the termination of such orders and subcontracts.

(d) Subject to Port's approval, settling all outstanding liabilities and all claims arising out of the termination of orders and subcontracts.

(e) Completing performance of any services that Port designates to be completed prior to the date of termination specified by Port.

(f) Taking such action as may be necessary, or as the Port may direct, for the protection and preservation of any property related to this Agreement which is in the possession of Terminal Operator and in which Port has or may acquire an interest.

13. SURRENDER.

Upon the expiration or earlier termination of this Agreement, Terminal Operator shall vacate and surrender the Facility in good condition (except for ordinary wear and tear). On or before the expiration or earlier termination hereof, Terminal Operator shall remove all of its personal property and shall perform all restoration made necessary by the removal of any improvements, alterations or Terminal Operator's Property.

In addition to any other right or remedy available to Port, upon giving written notice of termination, Port shall have the right to enter the Facility and every part thereof on the effective date of termination without further notice of any kind and may remove all persons and Terminal

Operator's Property from the Facility with or without the institution of summary or legal proceedings or otherwise. Any items, including Terminal Operator's Property, not removed by Terminal Operator as required herein shall be deemed abandoned. Port may retain, store, remove, and sell or otherwise dispose of abandoned Terminal Operator's Property, and Terminal Operator waives all Claims against Port for any damages resulting from Port's retention, removal and disposition of such property; provided, however, that Terminal Operator shall be liable to Port for all costs incurred in storing, removing and disposing of abandoned Terminal Operator's Property and repairing any damage to the Facility resulting from such removal. Terminal Operator agrees that Port may elect to sell abandoned Terminal Operator's Property and offset against the sales proceeds Port's storage, removal, and disposition costs without notice to Terminal Operator or otherwise according to the procedures set forth in California Civil Code Section 1993 et seq., the benefits of which Terminal Operator waives.

If Terminal Operator fails to surrender the Facility as required by this section, Terminal Operator shall hold Port harmless from all damages resulting from Terminal Operator's failure to surrender, including, but not limited to, Claims made by a succeeding operator, tenant or licensee resulting from Terminal Operator's failure to surrender the Facility.

14. INSURANCE.

14.1. ***Required Insurance Coverage.*** Terminal Operator, at its sole cost and expense, shall maintain and/or cause to be maintained by its Agents as applicable to their operations, throughout the Term of this Agreement, the coverages specified below. So long as Terminal Operator does not own, charter or operate any vessel, Terminal Operator shall not be required to maintain the coverages under Sections (g) – (l) below.

(a) Marine Comprehensive or Commercial General Liability Insurance. As applicable, Marine Comprehensive or Commercial General Liability insurance policies in a form satisfactory to Port insuring against claims for bodily injury (including death), property damages, personal injury and advertising liability occurring upon the Facility (including the Improvements), and operations incidental or necessary thereto occurring on any part of the Facility, contractual liability (which includes coverage of the indemnity obligations in Section 16), damage or loss of customer's goods or vessels in Terminal Operator's care, custody or control, mobile equipment and other vehicles not licensed for highway use, such insurance to afford protection in an amount not less than Five Million And No/100 Dollars ($5,000,000) each occurrence and annual aggregate, and fire damage legal liability with limits of not less than One Million And No/100 Dollars ($1,000,000) for the Facility.

(b) Fire and Extended Coverage. Fire and Extended Coverage, including water damage and debris cleanup provisions, in an amount not less than ninety percent (90%) of full replacement value of all improvements located within the Facility. The fire and extended coverage policies shall be endorsed with a Loss Payee endorsement in favor of Port.

(c) Marine Terminal Operator Liability. Marine Terminal Operator Liability covering the Facility and operations in an amount not less than Five Million And No/100 Dollars ($5,000,000) per occurrence and aggregate of Fifty Million And No/100 Dollars ($50,000,000) by endorsement.

(d) Business Automobile Insurance. Business automobile liability insurance covering all owned, non-owned or hired motor vehicles to be used in connection with such person's use and occupancy of the Facility, affording protection for bodily injury (including death) and property damage in the form of Combined Single Limit Bodily Injury and Premises Damage policy with limits of not less than Two Million And No/100 Dollars ($2,000,000) per accident.

(e) Worker's Compensation; Jones Act; Longshore and Harbor Workers' Compensation Act Insurance. Workers' compensation insurance in amounts required by Law, and employer's liability coverage with limits not less than $1,000,000 each accident, covering all persons employed by Terminal Operator in connection with the use, operation and maintenance of the Facility and the Improvements. In addition, if any employees of Terminal Operator may

be eligible for Longshore and Harbor Workers' Compensation Act benefits or Jones Act benefits in statutory amounts, Terminal Operator shall maintain coverage for such benefits, as applicable, with limits not less than One Million Dollars ($1,000,000).

(f) Personal Property Insurance. Terminal Operator, at its sole cost and expense, shall procure and maintain on all of its personal property and Improvements and Alterations, in or on the Facility, property insurance on an all-risk form, excluding earthquake and flood, to the extent of full replacement value. The proceeds from any such policy shall be used by Terminal Operator for the replacement of Terminal Operator's personal property.

(g) Protection and Indemnity Insurance (Watercraft Liability). Protection and indemnity insurance (watercraft liability insurance), including collision liability, with limits not less than One Million And No/100 Dollars ($1,000,000) each occurrence, or such lesser limits and deductible as are readily available in the insurance market at a commercially reasonable cost, which limits and deductible are subject to Port approval, and including Jones Act benefits, wreck removal, damages in "Rem" (the vessel), and Longshore & Harbor Workers' Compensation Act coverages.

(h) Excess Bumbershoot Liability. Umbrella; Excess Insurance with policy limits of no less than Twenty-Four Million Dollars ($24,000,000) in excess of all the underlying policies required in subsections (a), (c), (d), (k) and (m). .

(i) A Department of Homeland Security, U.S. Coast Guard Certificate of Financial Responsibility issued to the vessel's owner or operator which is valid at all times that the vessel owner or operator's vessel is approaching, moored at, or departing from the Port.

(j) A California Certificate of Financial Responsibility (CA COFR) issued to the owner or operator of the vessel which is valid at all times the vessel is approaching, moored at, or departing from the Port.

(k) Vessel Pollution Liability Insurance. Vessel pollution liability insurance coverage with limits not less than $5,000,000 per occurrence and $5,000,000 in the aggregate with a deductible not to exceed $50,000 or such lesser limits and deductible as are readily available in the insurance market at a commercially reasonable cost, which limits and deductible are subject to Port approval. The insurance should cover liability imposed under Federal laws and the laws of any state or subdivision thereof on the insured for any loss, damage, cost, liability or expense arising out of the sudden, accidental and unintentional discharge, spillage, leakage, emission or release of any substance of any kind into or upon the navigable waters of the United States or the adjoining shorelines.

(l) Hull and Machinery Insurance. Hull and Machinery coverage for the agreed value of all owned vessels and insured as per the American Institute Hull Forms.

(m) Pollution Coverage. Pollution liability coverage to cover bodily injury; property damage, including natural resource damage, cleanup costs, removal, storage, disposal, and or use of the pollutant; and defense, including costs and expenses incurred in the investigation, defense, or settlement of claims with limits not less than $5,000,000 per claim. Coverage must apply to the sudden and gradual pollution conditions resulting from the escape or release of smoke, vapors, fumes, acids, alkalis, toxic chemicals, liquids, or gases, natural gas, waste materials, or other irritants, contaminants, or pollutants. Terminal Operator must warrant that any retroactive date applicable to coverage under the policy precedes the effective date of this Agreement and that continuous coverage will be maintained for an extended reporting or discovery period will be purchased or extended for a period of three years. If Terminal Operator is responsible for removing any pollutants from a site, the Terminal Operator will need to cover its automobile exposure for transporting the pollutants from the site to an approved disposal site. Business Auto Liability Policy required above must be endorsed to include Auto Pollution Additional Insured Endorsement. Per the Federal Motor Carrier Safety Administration, Form MCS-90 for Motor Carrier Policies of Insurance for Public Liability under Sections 29 and 30 of the Motor Carrier Act of 1980 must be provided.

(n) Construction Activities. At all times during any period of Terminal Operator's or its Agents or Invitee's construction of Improvements subject to Section 11,

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

(ii) In addition, Terminal Operator or its Agent or Invitee performing the work shall carry **"Builder's All Risk"** insurance on a form reasonably approved by Port, in the amount of one hundred percent (100%) of the completed value of all new construction, insuring all new construction, including all materials and equipment incorporated in, on or about the Facility, and in transit or storage off-site, that are or will be part of the permanent Improvements, against **"all risk"** and "special form" hazards.

(iii) Terminal Operator shall require all providers of professional services, including architectural, design, engineering, geotechnical, and environmental professionals under contract with Terminal Operator for any Improvements or any Alterations to maintain professional liability (errors or omissions) insurance, with limits not less than One Million Dollars ($1,000,000.00) each claim and aggregate, with respect to all professional services provided to Terminal Operator therefor.

(o) Other Insurance. Such other insurance as required by Law and by administrative agencies with jurisdiction over marine operations. In addition, Terminal Operator shall obtain such other insurance as is reasonably requested by City's Risk Manager and is customary for other comparable Port Terminal Operators and uses permitted under this Agreement.

14.2. ***Claims-Made Policies.*** If any of the insurance required in Section 14.1 is provided under a claims-made form of policy, Terminal Operator shall maintain such coverage continuously throughout the Term and without lapse for a period of three years beyond the expiration of this Agreement, to the effect that should occurrences during the Term give rise to claims made after termination of this Agreement, such claims shall be covered by such claims-made policies.

14.3. ***Annual Aggregate Limits.*** If any of the insurance required in Section 14.1 is provided under a form of coverage which includes an annual aggregate limit or provides that claims investigation or legal defense costs be included in such annual aggregate limit, such annual aggregate limit shall be double the occurrence limits specified herein.

14.4. ***Waiver of Subrogation Rights.*** The parties release each other, and their respective authorized representatives, from any claims for damage or injury to either Port or Terminal Operator in or on the Facility which are caused by or result from risks insured against under any insurance policies carried by the parties and in force at the time of any such damage or injury, to the extent such claims are paid by such policies. Each party shall cause each property insurance policy obtained by it to provide that the insurance company waives all right of

recovery by way of subrogation against the other party in connection with any damage or injury covered by any policy.

14.5. ***General Insurance Matters.***

(a) All liability insurance policies required to be maintained by Terminal Operator or its Agents hereunder shall contain a cross-liability clause, shall be endorsed to name as additional insureds (or its equivalent) "THE CITY AND COUNTY OF SAN FRANCISCO AND THE SAN FRANCISCO PORT COMMISSION AND THEIR OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS," shall be primary to any other insurance available to the additional insureds (or its equivalent) with respect to claims arising under this Agreement, and shall provide that such insurance applies separately to each insured against whom complaint is made or suit is brought except with respect to the limits of the company's liability. Terminal Operator shall provide Port with an additional insured (or its equivalent) endorsement in the form of ISO 2010 (11/85) or its equivalent.

(b) All insurance policies required to be maintained hereunder shall be issued by an insurance company or companies reasonably acceptable to Port. Terminal Operator's compliance with this Section shall in no way relieve or decrease Terminal Operator's liability under this Agreement.

(c) All insurance policies required to be maintained hereunder shall provide for thirty (30) days prior written notice of cancellation or intended non-renewal or reduction in coverage to Terminal Operator and Port. Such notice shall be given in accordance with the notice provisions of Section 29 of this Agreement.

(d) Terminal Operator and its Agents as applicable shall deliver to Port certificates of insurance in a form satisfactory to Port, such as hard copy documentation or use of an internet-based insurance compliance tracking systems such as EXIGIS, evidencing the coverages required herein, on or before the Commencement Date or the relevant dates of the activities that trigger the need for coverage, and upon renewal of each policy before expiration of the term of the policy. Terminal Operator shall, upon Port's request, promptly furnish Port with a complete copy of any insurance policy required hereunder.

(e) Not more often than every year and upon not less than sixty (60) days prior written notice, Port may require Terminal Operator to increase the insurance limits set forth in Section 14.1 above if Port finds in its reasonable judgment that it is the general commercial practice in San Francisco to carry insurance in amounts substantially greater than those amounts carried by Terminal Operator with respect to risks comparable to those associated with the use of the Facility.

15. HAZARDOUS MATERIALS.

15.1. ***Asbestos Notification.*** Port hereby notifies Terminal Operator of the presence of ACM and PACM in the locations identified in the attached ***Schedule 4***. Terminal Operator agrees that its waiver of Claims set forth in Section 16 (Indemnity and Exculpation) is given with full knowledge of the presence, or possibility, of asbestos in or about the Facility and the potential consequences of such fact. Terminal Operator is aware that the presence, or possibility, of asbestos in or about the Facility may limit Terminal Operator's ability to construct Improvements on the Facility without first performing abatement of such asbestos. The presence of asbestos in the Facility and the removal or non-removal by Port of all or a portion of the asbestos in the Facility, shall not entitle Terminal Operator to any Claim or relieve Terminal Operator of any of its obligations hereunder.

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

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

Terminal Operator agrees that its waiver of Claims set forth in Section 16 (Indemnity and Exculpation) is given with full knowledge of the presence, or possibility, of lead in or about the Facility and the potential consequences of such fact. Terminal Operator is aware that the presence, or possibility, of lead in or about the Facility may limit Terminal Operator's ability to perform any Improvements without Terminal Operator first performing abatement of such lead. The presence of lead in the Facility and the removal or non-removal by Port of all or a portion of the lead shall not entitle Terminal Operator to any Claim or relieve Terminal Operator of any of its obligations hereunder. Notwithstanding any other provisions of this Agreement, Terminal Operator agrees to Indemnify Port for its acts or omissions that result in (1) lead-related enforcement actions, including both administrative or judicial proceedings, and (2) any Claims arising from an alleged violation of Cal-OSHA Construction Safety Order for Lead and/or exposures to lead.

15.3. ***Requirements for Handling***_Neither Terminal Operator nor its Agents or Invitees, shall handle in, on or about the Facility any Hazardous Material without the prior written consent of Port, which consent shall not be unreasonably withheld so long as Terminal Operator demonstrates to Port's reasonable satisfaction that such Hazardous Material is necessary to Terminal Operator'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 Facility. Notwithstanding the foregoing, Terminal Operator may handle at the Facility janitorial or office supplies or materials in such limited amounts as are customarily used for general office purposes so long as such handling is at all times in full compliance with all Environmental Laws.

15.4. ***Terminal Operator Responsibility***. Terminal Operator shall not be compelled by the Port to handle any Hazardous Materials of any kind. However, should Hazardous Materials be introduced on the Facility for handling by the Terminal Operator, Terminal Operator shall handle all Hazardous Materials, including cargo, introduced on the Facility during the term of this Agreement in compliance with all Laws at its sole cost and expense. Terminal Operator shall not be responsible for the safe handling of any Hazardous Material introduced on the Facility during the term of this Agreement by City or Port or their Agents. Terminal Operator shall protect its employees and the general public in accordance with all applicable laws on Hazardous Materials. Port may from time to time request and Terminal Operator shall be obligated to provide adequate information for Port to determine that the Hazardous Materials are handled in a manner that complies with all Laws. Port shall have the right to inspect the Facility for Hazardous Materials at reasonable times.

15.5. ***Requirement to Remediate***. Prior to the expiration or earlier termination of this Agreement, Terminal Operator, at its sole cost and expense, shall Remediate any and all Hazardous Materials introduced on the Facility by Terminal Operator, its Agents or Invitees, including without limitation any Hazardous Material that has been released into the environment due to Terminal Operator's, its Agents' or Invitees' acts or omissions. Within fifteen (15) days of Port's request, Terminal Operator must submit and obtain Port's approval of a Remediation work plan, whether or not required under Environmental Laws. Terminal Operator must begin Remediation immediately following Port's approval of the work plan and continue diligently until Remediation is complete, as determined by Port, in its sole discretion. If Environmental Laws governing Remediation require a remedial action plan, Terminal Operator must provide a draft of its plan to Port for comment and approval before submittal to the appropriate Environmental Regulatory Agency. In all situations relating to Handling or Remediating Hazardous Materials, Terminal Operator must take all actions that are reasonably necessary in Port's sole judgment to protect the value of the Facility, such as obtaining Environmental

Regulatory Approvals related to Hazardous Materials and taking measures to remedy any deterioration in the condition or diminution of the value of any portion of the Facility in any manner related directly or indirectly to Hazardous Materials.

Prior to the termination of this Agreement, Port shall have the right, but not the obligation, to conduct at Terminal Operator's cost, an inspection and audit of the Facility for the purpose of identifying Hazardous Materials existing on the Facility at the time of termination and required to be Remediated by Terminal Operator. Port's failure to conduct an audit or to detect conditions if an audit is conducted shall not be deemed to be a release of any liability for environmental conditions subsequently determined to be Terminal Operator's responsibility under this Agreement. If Terminal Operator fails to comply with this provision, Port may perform the Remediation at Terminal Operator's expense and Terminal Operator shall immediately reimburse Port therefor.

15.6. ***Environmental Condition Notification Requirements.***

(a) Notification of Any Release or Discharge. Terminal Operator shall immediately notify Port in writing of any release or discharge of any Hazardous Materials on or from the Facility, whether or not the release is of quantities that would require reporting of such releases to a Regulatory Agency under applicable law.

(b) Notification of Any Notice, Investigation or Claim. Terminal Operator shall also notify Port in writing of, and shall contemporaneously provide Port with a copy of,

(i) Any written notice of release of Hazardous Materials in on, or about the Facility that is provided by Terminal Operator to Regulatory Agency;

(ii) Any notice of a violation, or a potential or alleged violation in on or about the Facility, of any Environmental Law that is received by Terminal Operator from any Regulatory Agency;

(iii) Any inquiry, investigation, enforcement, cleanup, removal, or other action that is instituted or threatened by a Regulatory Agency against Terminal Operator and that relates to the release or discharge of Hazardous Materials, in on or from the Facility.

(iv) Any claim that is instituted or threatened by any third party against Terminal Operator and that relates to any release or discharge of Hazardous Materials on or from the Facility; and,

(v) Any notice of the loss of any environmental operating permit by Terminal Operator.

15.7. ***Failure to Comply.*** Failure to comply with this Section shall constitute a material default of this Agreement. In the event of such default, Port shall have all rights available under this Agreement and at law or equity including, without limitation, the right to either:

(a) Terminate this Agreement and collect damages Port incurs as a result of such default, including, without limitation, Remediation costs incurred by Port resulting from the Remediation of any Hazardous Materials present in, on or under the Facility or any other Port property; or

(b) Continue this Agreement and require Terminal Operator to Remediate such Hazardous Materials at the Terminal Operator's sole cost and expense.

15.8. ***Survival.*** The obligations within this Section 15 shall survive the expiration or termination of this Agreement.

16. INDEMNITY AND EXCULPATION.

16.1. ***Exculpation.*** Terminal Operator, as a material part of the consideration under this Agreement, hereby waives any and all Claims, including without limitation all Claims arising from the joint or concurrent, active or passive, negligence of the Port or City, including, but not limited to, all of their respective boards, commissions, departments, agencies, and other subdivisions, and their respective Agents (collectively, "**Indemnified Parties**"), but excluding any

Claims caused solely by the Indemnified Parties' willful misconduct or negligence. The Indemnified Parties shall not be responsible for or liable to Terminal Operator, and Terminal Operator hereby assumes the risk of, and waives and releases the Indemnified Parties from all Claims for, any injury, loss or damage to any person or property in or about the Facility by or from any cause whatsoever including, without limitation, (i) any act or omission of persons occupying areas adjacent to or connected with the Facility, (ii) theft, (iii) explosion, fire, steam, oil, electricity, water, gas or rain, pollution or contamination, (iv) stopped, leaking or defective Facility Systems, (v) Facility defects, (vi) damages to goods, wares, goodwill, merchandise, equipment or business opportunities, (vii) Claims by persons in, upon or about the Facility, (viii) alleged facts or circumstances of the process or negotiations leading to this Agreement prior to the Commencement Date, (ix) inability to use all or any portion of the Facility due to sea level rise, and (x) any other acts, omissions or causes, but excluding any Claims otherwise included within any of subparagraphs (i) through (x) which are caused solely by the Indemnified Parties' willful misconduct or negligence.

Terminal Operator understands and expressly accepts and assumes the risk that any facts concerning the Claims released in this Agreement might be found later to be other than or different from the facts now believed to be true, and agrees that the releases in this Agreement shall remain effective. Therefore, with respect to the Claims released in this Agreement, Terminal Operator waives any rights or benefits provided by Section 1542 of the Civil Code, which reads as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

Terminal Operator specifically acknowledges and confirms the validity of the release made above and the fact that Terminal Operator was represented by counsel who explained the consequences of the release at the time this Agreement was made, or that Terminal Operator had the opportunity to consult with counsel, but declined to do so.

16.2. ***General Indemnity.*** Terminal Operator shall Indemnify the Indemnified Parties from, and shall defend them, without cost to the Indemnified Parties, against any and all Claims (excluding any Claims caused solely by the Indemnified Parties' willful misconduct or negligence) arising directly or indirectly out of:

(a) any accident, injury to or death of any person, including any Agents and/or Invitees of Terminal Operator, or loss or damage to or destruction of any property occurring in, on or about the Facility or any part thereof or any other Port property, from Terminal Operator's, its Agents' or Invitees' acts or omissions, or

(b) any default by Terminal Operator in the observance or performance of any of the terms, covenants or conditions of this Agreement, or

(c) the use or manner of use or condition of the Facility or the activities therein by Terminal Operator, its Agents or Invitees, or

(d) any construction or other work undertaken by Terminal Operator at the Facility.

16.3. ***Hazardous Materials Indemnity.*** Terminal Operator shall indemnify, defend and hold Port and City harmless from any and all claims, judgments, damages, penalties, fines, costs, liabilities or losses which arise during or after the term of this Agreement as a result of the handling, release, or discharge of Hazardous Materials at the Facility by Terminal Operator, its Agents or Invitees including without limitation, all costs of investigating and remediating the same, damages for diminution in value of the Facility, damages for the loss or restriction on use of any usable space or of any amenity of the Facility, damages arising from any adverse impact on marketing of any such space, and sums paid in settlement of claims, attorneys' fees, consultant fees and expert fees. This Indemnification of Port and City by Terminal Operator

includes, but is not limited to, cost 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 Facility or in any improvements which Hazardous Materials were introduced on the Facility during Terminal Operator's use thereof by Terminal Operator, its Agents or Invitees. Without limiting the foregoing, if the presence of any Hazardous Material in, on, under or about the Facility caused or permitted by Terminal Operator results in any contamination of the Facility, Terminal Operator, at its sole expense, promptly shall take all action that is necessary to return the Facility to the condition existing prior to the introduction of such Hazardous Material in, on, under or about the Facility provided that Port 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 Facility.

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

In addition to Terminal Operator's obligation to Indemnify the Indemnified Parties, Terminal Operator specifically acknowledges and agrees that it has an immediate and independent obligation to defend the Indemnified Parties from any Claim which actually or potentially falls within the Indemnification obligations of Terminal Operator set forth in this Agreement, even if the allegations are or may be groundless, false or fraudulent. This Indemnification by Terminal Operator shall begin from the first notice that any claim or demand is or may be made and shall continue until a court determination that such Claim does not fall within the Indemnification obligations of Terminal Operator as set forth in this Agreement.

Terminal Operator's obligation to Indemnify the Indemnified Parties includes: (i) costs incurred in connection with any investigation or Remediation requested by Port or required by any Environmental Regulatory Agency and to restore the affected area to its condition before a release of Hazardous Materials as described in Section 16.3; (ii) damages for diminution in the value of the Facility; (iii) damages for the loss or restriction on use of rentable or usable space or of any amenity of the Facility; (iv) damages arising from any adverse impact on marketing the space; (v) sums paid in settlement of Claims, including fines and penalties; (vi) natural resource damages; and (vi) attorneys' fees, consultant fees, expert fees, court costs, and all other litigation, administrative or other judicial or quasi-judicial proceeding expenses. If Port pays any costs within the scope of this section, Terminal Operator must reimburse Port for Port's costs within thirty (30) days from the date Port invoices Terminal Operator for such cost. Late payment shall bear interest.

The Indemnified Parties shall not be liable for any damage to persons or property as a result of the use, misuse or failure of any equipment used by Terminal Operator, or any of its subcontractors, or by any of their employees, even though such equipment is furnished, rented or loaned by Port unless such damage to persons or property is attributable solely to the willful misconduct or negligence of the Indemnified Parties.

Terminal Operator's Indemnity for Claims relating to "other Port property" as set forth in this Agreement applies only to the extent that such Claims arise directly or indirectly out of Terminal Operator's, its Agent's or Invitee's acts, omissions or negligence relating to this Agreement.

16.5. ***Liability of Indemnified Parties.*** Notwithstanding any other provision of this Agreement, in no event shall the Indemnified Parties be liable, regardless of whether any Claim

is based on contract or tort, for any special, consequential, indirect or incidental damages, including, but not limited to, lost profits, arising out of or in connection with this Agreement or the services performed in connection with this Agreement.

16.6. ***Liability for Damage to Facility.*** Terminal Operator shall be responsible for any and all damage, other than normal wear and tear, incurred during the Term hereof which arises out of or in connection with Terminal Operator's, its Agents' and Invitees' use of the Facility. If Terminal Operator damages the Facility, Terminal Operator shall take immediate steps to mitigate the damage to prevent injury or further damage. Terminal Operator shall notify Port of such damage and Terminal Operator shall inform Port of the mitigating action it will take or has taken. Terminal Operator shall repair, or cause to be repaired, such damage after (i) receiving Port approval of the design, plans and specifications, if any, through the building permit process, (ii) receiving approval from Port of the contractor, (iii) obtaining all necessary Regulatory Approvals, and (iv) complying with any other reasonable requirements of Port. Port may in its discretion repair any such damage at the sole cost and expense of Terminal Operator, and Terminal Operator shall pay such costs with thirty (30) days after notice thereof.

16.7. ***Survival.*** The provisions of Section 16 shall survive the expiration or earlier termination of this Agreement with respect to any Claims accruing during the Term.

17. DAMAGE BY FIRE OR OTHER CASUALTY.

If the Facility is partially or totally destroyed or damaged by fire or other casualty, including flooding and/or sea level rise, Port, in Port's sole and absolute discretion, shall have the option of (i) terminating this Agreement by giving Terminal Operator written notice thereof, or (ii) repairing such damage when reasonably practicable for Port to do so and subject to appropriation by the Port Commission and Board of Supervisors, and this Agreement shall remain in full force and effect. If the damage to the Facility is not the result of the act, neglect, default, or omission of Terminal Operator, its Agents or Invitees, and Terminal Operator is not reasonably able to perform the services set forth in Section 3 above, Terminal Operator may terminate this Agreement upon delivery of thirty (30) days prior written notice; provided, however that such termination right must be exercised within one hundred eighty (180) days of the damage or destruction. Terminal Operator's right to terminate this Agreement under this Section 17 shall be Terminal Operator's sole remedy in connection with any such damage to the Facility and Terminal Operator hereby waives the provisions of Section 1932, subdivision 2, Section 1933, subdivision 4, Sections 1941 and 1942 of the Civil Code of California or under any similar Law now or hereafter in effect to the extent that such provisions apply.

Nothing contained herein will require Port to repair or replace the Facility or Improvements thereon as a result of damage caused by acts of war, earthquake, tidal wave or other acts of nature.

This Section 17 does not apply to damage to Terminal Operator's Property due to a fire or other casualty.

18. NO WAIVER OF TERMS OF AGREEMENT.

No waiver by either party at any time of any of the terms, covenants or conditions of this Agreement shall be deemed or taken as a waiver at any time thereafter of the same, or any other term, covenant or condition herein contained, nor of the strict and prompt performance thereof. No delay, failure or omission of either party to exercise any right, power, privilege or option arising from any default shall impair any such right, power, privilege or option, or be construed to be a waiver of any such default or relinquishment thereof, or acquiescence therein, and no notice shall be required to restore or revive time as of the essence hereof after waiver of default in one or more instances. No option, right, power, remedy or privilege shall be construed as being exhausted or discharged by the exercise thereof in one or more instances. Each and all of the rights, powers, options or remedies given by this Agreement are cumulative, and no one of them shall be exclusive of the other or exclusive of any remedies provided by law; and the exercise of one right, power, option or remedy shall not impair a party's rights to any other right, power, option or remedy.

19. ASSIGNMENT AND TRANSFER. Terminal Operator shall not Transfer this Agreement or any interest therein, or any right or privilege appurtenant thereto; nor shall this Agreement or any interest thereunder be assignable or transferable by operation of Law or by any process or proceeding of any court, or otherwise, without the prior written consent of Port which consent may be withheld in Port's sole and absolute discretion. In the event Port gives such written consent, a copy of same, together with a copy of the instrument consented to, shall be filed with the Federal Maritime Commission for approval, if said approval is required. Any consent to one Transfer shall not be deemed to be a consent to any subsequent Transfer. Any Transfer without Port's consent shall be void, and shall, at the option of Port, terminate this Agreement.

20. TAXES AND ASSESSMENTS. During the term of this Agreement, Terminal Operator shall pay, when due, to the proper authority any general and special assessments, license fees, permit fees and all other governmental charges of any kind or nature whatsoever, including without limitation all penalties and interest thereon, levied or assessed on Terminal Operator's use of the Facility, or on Terminal Operator's Property, whether in effect at the time this Agreement is entered into or which become effective thereafter.

Terminal Operator recognizes and understands that this Agreement may create a "possessory interest" for property tax purposes. Generally, such a possessory interest is not created unless the Agreement entitles the Terminal Operator to possession, occupancy, or use of City property for private gain. If such a possessory interest is created, then the following shall apply:

(i) Terminal Operator, on behalf of itself and any person to whom Terminal Operator grants the right to occupy or use any portion of the Facility for any period of time including without limitation, any assignment, sublicense, license, permit, concession or vendor agreement or other agreement or renewal thereof, recognizes and understands that Terminal Operator and any person listed above may be subject to real property tax assessments on the possessory interest;

(ii) Terminal Operator, on behalf of itself and any person listed in subsection (i) above, recognizes and understands that the creation, extension, renewal, or assignment of this Agreement may result in a "change in ownership" for purposes of real property taxes, and therefore may result in a revaluation of any possessory interest created by this Agreement. Terminal Operator accordingly agrees on behalf of itself and its permitted successors and assigns to report on behalf of the City to the County Assessor the information required by Revenue and Taxation Code section 480.5, as amended from time to time, and any successor provision.

(iii) Terminal Operator, on behalf of itself and any person listed in subsection (i) above, recognizes and understands that other events also may cause a change of ownership of the possessory interest and result in the revaluation of the possessory interest (see, e.g., Rev. & Tax. Code section 64, as amended from time to time); Terminal Operator accordingly agrees on behalf of itself and, to the extent Terminal Operator has knowledge of such transfer, on behalf of any person listed in subsection (i) above to report any change in ownership to the County Assessor, the State Board of Equalization or other public agency as required by Law.

(iv) Terminal Operator further agrees to provide such other information as may be requested by the Port or City to enable the Port or City to comply with any reporting requirements for possessory interest that are imposed by Law.

21. LIENS AND ENCUMBRANCES. Terminal Operator shall keep the Facility free and clear of all liens and encumbrances arising out of Terminal Operator's operations at the Facility, including without limitation any work performed for or by, materials furnished to or for, or obligations incurred by Terminal Operator. Other than with regard to the obligations of Port under Sections 10.4 and 11.6, Terminal Operator shall pay for all labor done and all materials furnished in the repair, replacement, maintenance or improvement of the Facility and Port shall have the right to post any notices that Port may deem proper for the protection of Port or the Facility including from mechanics' and materialmen's liens. At Port's request, Terminal

Operator shall furnish Port with written proof of payment of any item which would or might constitute the basis for such a lien or encumbrance on the Facility if not paid. In the event that Terminal Operator fails to cause any lien to be released of record within the later of: thirty (30) days following the imposition of any such lien or the date that Terminal Operator has accepted the work, Port shall have, in addition to all other remedies provided by this Agreement or by Law, the right but not the obligation to cause the same to be released by such means as it shall deem proper, including without limitation, payment of the claim giving rise to such lien. All sums paid by Port for such purpose, plus interest and all reasonable expenses incurred by Port in connection therewith (including, without limitation, reasonable attorneys' fees) shall be payable to Port by Terminal Operator upon demand. Terminal Operator agrees to Indemnify the Indemnified Parties from and against any Claims for mechanic's, materialmen's or other liens in connection with any improvements, repairs or construction on the Facility, or materials furnished or obligations incurred by or for Terminal Operator.

22. SIGNS. Terminal Operator shall not install business signage, awnings or other exterior decoration or notices on or at the Facility without Port's prior written consent. Any sign that Terminal Operator is permitted to place, construct or maintain on or at the Facility shall comply with all Laws relating thereto, including but not limited to, Port's Sign Guidelines, as revised by Port from time to time, and building permit requirements, and Terminal Operator shall obtain all Regulatory Approvals required by such Laws. Terminal Operator, at its sole cost and expense, shall remove all signs placed by it upon the expiration or earlier termination of this Agreement.

23. COMPLIANCE WITH LAWS; REGULATORY APPROVALS.

23.1. ***Compliance with Laws.*** Terminal Operator, at Terminal Operator's sole cost and expense, shall comply with all Laws pertaining to Terminal Operator's use and occupation of the Facility in effect either at the time of execution of this Agreement or at any time during the term hereof. Terminal Operator further specifically understands and agrees to be responsible and comply, at its cost, within the Facility with 42 USCS 12101, et seq., commonly known as the Americans with Disabilities Act ("ADA"). Terminal Operator acknowledges that, pursuant to the ADA, programs, services, and other activities provided by a public entity, whether directly or through a contractor, must be accessible to the disabled public. Terminal Operator shall provide the services specified in this Agreement in a manner that complies with the ADA and any and all applicable federal, state and local disability rights legislation. Terminal Operator agrees not to discriminate against disabled persons in the provision of services, benefits, or activities provided under this Agreement, and further agrees that any violation of this prohibition on the part of Terminal Operator, its Agents or Invitees, shall constitute a material breach of this Agreement.

Terminal Operator understands and agrees that Port is entering into this Agreement in its capacity as a landowner with a proprietary interest in the Facility and not as a regulatory agency of City with certain police powers. Port's legal status as an agency of City shall in no way limit the obligation of Terminal Operator to obtain any required approvals from City departments, boards or commissions which have jurisdiction over the Facility, including Port. By entering into this Agreement, Port is in no way modifying or limiting the obligation of Terminal Operator to cause the Facility to be used and occupied in accordance with all laws, rules and regulations of the City, the State of California and the United States.

23.2. ***Regulatory Approvals.*** Terminal Operator understands that Terminal Operator's operations on the Facility or certain alterations, changes in use or improvements to the Facility may require a Regulatory Approval from a Regulatory Agency. Terminal Operator shall be solely responsible for obtaining any such Regulatory Approval. Terminal Operator shall not seek any Regulatory Approval without first obtaining the approval of Port. All costs associated with applying for and obtaining any necessary Regulatory Approval shall be borne by Terminal Operator. Terminal Operator shall be solely responsible for complying with any or all conditions imposed by regulatory agencies as part of a Regulatory Approval. Any fines or penalties imposed as a result of the failure of Terminal Operator to comply with the terms and conditions of any Regulatory Approval shall be paid and discharged by Terminal Operator, and Port shall have no liability, monetary or otherwise, for said fines and penalties. To the fullest extent permitted by Law, Terminal Operator agrees to Indemnify Port harmless from any and all losses,

including attorneys' fees, which Port may incur as a result of Terminal Operator's non-compliance with the terms and conditions of any Regulatory Approval.

24. POSSIBLE EXPANSION SITE.

Subject to the Port's parking management strategy and implementation thereof relating to Blocks 29-32 of the Mission Bay South Redevelopment Project Area as described in Port Commission Resolution 15-42 (November 10, 2015) ("**Event Center Project**"), if Terminal Operator demonstrates that cargo at the Facility routinely exceeds capacity at the Facility such that a nearby location for additional storage and handling operations is desirable, Terminal Operator shall have a right of first offer to use the expansion site shown in ***Exhibit G*** attached hereto (the "**Site**") or any portion thereof under a lease or other agreement with the Port in the following circumstances: (A) Port has determined that it will lease the Site to a third party through a competitive bidding process or otherwise; or (B) Port receives a bona fide offer from a third party to lease the Site that the Port would be willing to accept. Port shall notify Terminal Operator of such an occurrence along with the terms and conditions under which Port is prepared to lease the Site; Port's minimum financial terms and necessary commitments by the new user; and Port's timing needs; and shall offer Terminal Operator a one time opportunity to submit a proposal consistent with Port's terms ("**Port's Notice of Offer**"). Terminal Operator may accept Port's offer by delivering its proposal no later than sixty (60) days after the Port's Notice of Offer. If Port determines in its sole discretion that Terminal Operator's proposal qualifies for Port's further consideration, then Port shall notify Terminal Operator in writing and the parties shall enter into exclusive good faith negotiations for an agreement to use the Site for a mutually acceptable time period, as established in writing. Any proposed use agreement, including without limitation an amendment to this Agreement, may be subject to further environmental review, Port Commission and/or Board of Supervisors' approval, each in its sole discretion.

Terminal Operator shall have no rights and Port need not provide Terminal Operator notice under this Section if:

(i) The Site is or may be needed in connection with the Event Center Project, in Port's sole discretion;

(ii) Terminal Operator cannot adequately demonstrate the need for additional space relating to its operations that will financially benefit the Port;

(iii) Terminal Operator is in default under this Agreement beyond any applicable cure periods at the time that Port would otherwise deliver the notice; or

(iv) the Facility is being operated by an entity other than Pasha Automotive Service at the time Port would otherwise deliver the notice; or

(v) Pasha Automotive Service does not intend to use the Expansion Site for the entire Term for its own operations.

25. CITY REQUIREMENTS.

The San Francisco Municipal Codes (available at www.sfgov.org) and City and Port policies described or referenced in this Agreement are incorporated by reference as though fully set forth in this Agreement. The descriptions below are not comprehensive but are provided for notice purposes only; Terminal Operator is charged with full knowledge of each such ordinance and policy and any related implementing regulations as they may be amended from time to time. Terminal Operator understands and agrees that its failure to comply with any provision of this Agreement relating to any such code provision shall be deemed a material breach of this Agreement and may give rise to penalties under the applicable ordinance. Capitalized or highlighted terms used in this Section and not defined in this Agreement shall have the meanings ascribed to them in the cited ordinance.

25.1. ***Nondiscrimination Requirements.***

(a) Non Discrimination in Contracts. Terminal Operator shall comply with the provisions of Chapters 12B and 12C of the San Francisco Administrative Code. Terminal

Operator shall incorporate by reference in all subcontracts the provisions of Sections12B.2(a), 12B.2(c)-(k), and 12C.3 of the San Francisco Administrative Code and shall require all subcontractors to comply with such provisions. Terminal Operator is subject to the enforcement and penalty provisions in Chapters 12B and 12C.

(b) Nondiscrimination in the Provision of Employee Benefits. San Francisco Administrative Code 12B.2. Terminal Operator does not as of the date of this Agreement, and will not during the term of this Agreement, in any of its operations in San Francisco, on real property owned by San Francisco, or where work is being performed for the City elsewhere in the United States, discriminate in the provision of employee benefits between employees with domestic partners and employees with spouses and/or between the domestic partners and spouses of such employees, subject to the conditions set forth in San Francisco Administrative Code Section12B.2.

25.2. ***McBride Principles – Northern Ireland.*** Port and the City urge companies doing business in Northern Ireland to move towards resolving employment inequities, and encourages such companies to abide by the MacBride Principles. Port and the City urge San Francisco companies to do business with corporations that abide by the MacBride Principles.

25.3. ***Tobacco Products Advertising Ban.*** Terminal Operator acknowledges and agrees that no sales or advertising of cigarettes or tobacco products is allowed at the Facility. 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.

25.4. ***Prohibition of Alcoholic Beverages Advertising.*** Terminal Operator acknowledges and agrees that no advertising of alcoholic beverages is allowed at the Facility. 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.

25.5. ***Tropical Hardwood and Virgin Redwood Ban.*** Pursuant to San Francisco Environment Code Section 804(b), the City urges Terminal Operator not to import, purchase, obtain, or use for any purpose, any tropical hardwood, tropical hardwood wood product, virgin redwood or virgin redwood wood product. Terminal Operator shall comply with San Francisco Environment Code Chapter 8, which provides that except as expressly permitted by the application of Sections 802(b) and 803(b) of the San Francisco Environment Code, Terminal Operator shall not provide any items to the City in performance of this contract which are tropical hardwoods, tropical hardwood wood products, virgin redwood or virgin redwood wood products. Terminal Operator is subject to the penalty and enforcement provisions of Chapter 8.

25.6. ***Preservative Treated Wood Products.*** Terminal Operator shall comply with the provisions of San Francisco Environment Code Chapter 13, which requires that each Terminal Operator purchasing preservative-treated wood products on behalf of the City, shall only purchase such products from the list of alternatives adopted by the Department of the Environment pursuant to Section 1302 of Chapter 13, unless otherwise granted an exemption by the terms of that Chapter.

25.7. ***Restrictions on the Use of Pesticides.*** Chapter 3 of the San Francisco Environment Code (the Integrated Pest Management Program Ordinance or "**IPM Ordinance**") describes an integrated pest management ("**IPM**") policy to be implemented by all City

departments. Terminal Operator shall not use or apply or allow the use or application of any pesticides on the Facility, and shall not contract with any party to provide pest abatement or control services to the Facility, without first receiving City's written approval of an integrated pest management plan that (i) lists, to the extent reasonably possible, the types and estimated quantities of pesticides that Terminal Operator may need to apply to the Facility during the term of this Agreement, (ii) describes the steps Terminal Operator will take to meet the City's IPM Policy described in Section 300 of the IPM Ordinance and (iii) identifies, by name, title, address and telephone number, an individual to act as the Terminal Operator's primary IPM contact person with the City. Terminal Operator shall comply, and shall require all of Terminal Operator's contractors to comply, with the IPM plan approved by the City and shall comply with the requirements of Sections 300(d), 302, 304, 305(f), 305(g), and 306 of the IPM Ordinance, as if Terminal Operator were a City department. Among other matters, such provisions of the IPM Ordinance: (a) provide for the use of pesticides only as a last resort, (b) prohibit the use or application of pesticides on property owned by the City, except for pesticides granted an exemption under Section 303 of the IPM Ordinance (including pesticides included on the most current Reduced Risk Pesticide List compiled by City's Department of the Environment), (c) impose certain notice requirements, and (d) require Terminal Operator to keep certain records and to report to City all pesticide use by Terminal Operator's staff or contractors. If Terminal Operator or Terminal Operator's contractor will apply pesticides to outdoor areas, Terminal Operator must first obtain a written recommendation from a person holding a valid Agricultural Pest Control Advisor license issued by the California Department of Pesticide Regulation and any such pesticide application shall be made only by or under the supervision of a person holding a valid Qualified Applicator certificate or Qualified Applicator license under state law. City's current Reduced Risk Pesticide List and additional details about pest management on City property can be found at the San Francisco Department of the Environment website, http://sfenvironment.org/ipm.

25.8. ***First Source Hiring Program and Agreement.*** Terminal Operator must comply with all of the provisions of the First Source Hiring Program, Chapter 83 of the San Francisco Administrative Code, that apply to this Agreement, and Terminal Operator is subject to the enforcement and penalty provisions in Chapter 83. The First Source Hiring Agreement ("**FSH Agreement**") between Terminal Operator and the City's Office of Economic Workforce and Development ("**OEWD**") is attached as ***Exhibit H***. Terminal Operator understands and agrees that compliance with the FSH Agreement is a material term of this Agreement and that Port would not enter this Agreement absent Terminal Operator's commitments as set forth in the FSH Agreement. Terminal Operator agrees that its failure to comply with any provision of the FSH Agreement shall be deemed a material breach of this Agreement and may give rise to penalties under the ordinance. The parties agree that, in the event of a conflict between the FSH Agreement and this Section 25.8, the terms and conditions of ***Exhibit H*** shall govern the parties' respective rights and obligations.

25.9. ***Health Care Accountability Ordinance.*** Unless waived by the employees in a bona fide collective bargaining agreement as set forth in explicitly clear and unambiguous terms, Terminal Operator shall comply with San Francisco Administrative Code Chapter 12Q. Terminal Operator shall choose and perform one of the Health Care Accountability options set forth in San Francisco Administrative Code Chapter 12Q.3. Terminal Operator is subject to the enforcement and penalty provisions in Chapter 12Q.

25.10. ***Green Building Ordinance.*** Terminal Operator agrees to comply with all applicable provisions of Environment Code Chapter 7 relating to resource-efficiency and green building design requirements.

25.11. ***Minimum Compensation Ordinance.*** Unless waived by the employees in a bona fide collective bargaining agreement as set forth in explicitly clear and unambiguous terms, Terminal Operator shall pay covered employees no less than the minimum compensation required by San Francisco Administrative Code Chapter 12P. Terminal Operator is subject to the enforcement and penalty provisions in Chapter 12P. By signing and executing this Agreement, Terminal Operator certifies that it is in compliance with Chapter 12P.

25.12. ***Graffiti Removal.*** Terminal Operator agrees to remove all graffiti from the Facility, within forty-eight (48) hours of the earlier of Terminal Operator's: (a) discovery or notification of the graffiti or (b) receipt of notification of the graffiti from the Department of Public Works. "**Graffiti**" means any inscription, word, figure, marking or design that is affixed, marked, etched, scratched, drawn or painted on any building, structure, fixture or other improvement, whether permanent or temporary, including signs, banners, billboards and fencing surrounding construction sites, whether public or private, without the consent of the owner of the property or the owner's authorized agent, and that is visible from the public right-of-way, but does not include: (1) any sign or banner that is authorized by, and in compliance with, the applicable requirements of this Agreement or the Port 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.).

25.13. ***Conflicts of Interest.*** Through its execution of this Agreement, Terminal Operator acknowledges that it is familiar with the provisions of Article III, Chapter 2 of Campaign and Governmental Conduct Code, and Sections 87100 et seq. and Sections 1090 et seq. of the California Government Code, and certifies that it does not know of any facts which would constitute a violation of these provisions, and agrees that if Terminal Operator becomes aware of any such fact during the Term, Terminal Operator shall immediately notify the Port.

25.14. ***Prohibition on Use of Public Funds for Political Activity.*** . In performing the services under this Agreement, Terminal Operator shall comply with San Francisco Administrative Code Chapter 12G, which prohibits funds appropriated by the City for this Agreement from being expended to participate in, support, or attempt to influence any political campaign for a candidate or for a ballot measure. Terminal Operator is subject to the enforcement and penalty provisions in Chapter 12G.

25.15. ***Alcohol and Drug-Free Workplace.*** City reserves the right to deny access to, or require Terminal Operator to remove from, City facilities personnel of any Terminal Operator or subcontractor who City has reasonable grounds to believe has engaged in alcohol abuse or illegal drug activity which in any way impairs City's ability to maintain safe work facilities or to protect the health and well-being of City employees and the general public. City shall have the right of final approval for the entry or re-entry of any such person previously denied access to, or removed from, City facilities. Illegal drug activity means possessing, furnishing, selling, offering, purchasing, using or being under the influence of illegal drugs or other controlled substances for which the individual lacks a valid prescription. Alcohol abuse means possessing, furnishing, selling, offering, or using alcoholic beverages, or being under the influence of alcohol.

25.16. ***Prevailing Wages and Working Conditions.*** Any undefined, initially-capitalized term used in this Section shall have the meaning given to such term in San Francisco Administrative Code Section 23.61. Terminal Operator shall require its contractors and subcontractors performing (i) labor in connection with a "public work" as defined under California Labor Code Section 1720 et seq. (which includes certain construction, alteration, maintenance, demolition, installation, repair, carpet laying, or refuse hauling work if paid for in whole or part out of public funds) or (ii) Covered Construction to: (A) pay workers performing such work not less than the highest prevailing rate of wages, (B) provide the same hours, working conditions and benefits as in each case are provided for similar work performed in San Francisco County, and (C) employ apprentices in accordance with San Francisco Administrative Code Section 23.61 (collectively, "**Prevailing Wage Requirements** "). Terminal Operator agrees to cooperate with the City in any action or proceeding against a contractor or subcontractor that fails to comply with the Prevailing Wage Requirements.

Terminal Operator shall include and shall require its contractors and subcontractors (regardless of tier), to include the Prevailing Wage Requirements and the agreement to cooperate in City enforcement actions in any Construction Contract with specific reference to San Francisco Administrative Code Section 23.61. Each such Construction Contract shall name the City and County of San Francisco, affected workers, and employee organizations formally

representing affected workers as third party beneficiaries for the limited purpose of enforcing the Prevailing Wage Requirements, including the right to file charges and seek penalties against any contractor or subcontractor in accordance with San Francisco Administrative Code Section 23.61. Terminal Operator's failure to comply with its obligations under this Section shall constitute a material breach of this Agreement. A contractor's or subcontractor's failure to comply with this Section will enable the City to seek the remedies specified in San Francisco Administrative Code Section 23.61 against the breaching party.

Terminal Operator shall also pay, and shall require its subtenants, and contractors and subcontractors (regardless of tier) to pay, the Prevailing Rate of Wage as set forth in and to the extent required by San Francisco Administrative Code Chapter 21C for a Public Off-Street Parking Lot, Garage or Automobile Storage Facility (as defined in Section 21C.3).

25.17. ***Public Transit Information.*** Terminal Operator shall establish and carry on during the Term a program to encourage maximum use of public transportation by personnel of Terminal Operator employed at the Facility, 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 Facility and encouraging use of such facilities, all at Terminal Operator's sole expense.

25.18. ***Food Service Waste Reduction Requirements.*** Terminal Operator shall comply with the Food Service Waste Reduction Ordinance, as set forth in San Francisco Environment Code Chapter 16, including but not limited to the remedies for noncompliance provided therein.

25.19. ***Consideration of Criminal History in Hiring and Employment Decisions***

Terminal Operator agrees to comply fully with and be bound by all of the provisions of Chapter 12T, "City Contractor/Subcontractor Consideration of Criminal History in Hiring and Employment Decisions," of the San Francisco Administrative Code ("Chapter 12T"), including the remedies provided, and implementing regulations, as may be amended from time to time.

The requirements of Chapter 12T shall only apply to a Terminal Operator's or Subcontractor's operations to the extent those operations are in furtherance of the performance of this Agreement, shall apply only to applicants and employees who would be or are performing work in furtherance of this Agreement, and shall apply when the physical location of the employment or prospective employment of an individual is wholly or substantially within the City of San Francisco. Chapter 12T shall not apply when the application in a particular context would conflict with federal or state law or with a requirement of a government agency implementing federal or state law.

25.20. ***Local Hire.*** Any undefined, initially-capitalized term used in this Section shall have the meaning given to such term in San Francisco Administrative Code Section 23.62 (the "**Local Hiring Requirements**"). Terminal Operator's Improvements under this Agreement are subject to the Local Hiring Requirements unless the cost for such work is (i) estimated to be less than $750,000 per building permit; (ii) is in connection with the set-up, execution and strike of special events of three (3) or fewer days costing in excess of the Threshold Amount; or (iii) meets any of the other exemptions in the Local Hiring Requirements. Terminal Operator agrees that it will comply with the Local Hiring Requirements to the extent applicable. Before starting any Improvements, Terminal Operator shall contact OEWD to determine the work is a Covered Project subject to the Local Hiring Requirements.

Terminal Operator shall include, and shall require its Contractors to include, a requirement to comply with the Local Hiring Requirements in any contract for a Covered Project with specific reference to San Francisco Administrative Code Section 23.62. Each such contract shall name the City and County of San Francisco as a third party beneficiary for the limited purpose of enforcing the Local Hiring Requirements, including the right to file charges and seek penalties. Terminal Operator shall cooperate, and require its Contractors to cooperate, with the City in any action or proceeding against a contractor or subcontractor that fails to comply with the Local Hiring Requirements when required. Terminal Operator's failure to comply with its obligations under this Section shall constitute a material breach of this Agreement. A

contractor's or subcontractor's failure to comply with this Section will enable the City to seek the remedies specified in San Francisco Administrative Code Section 23.62 against the breaching party.

25.21. ***San Francisco Bottled Water Ordinance.*** Terminal Operator is subject to all applicable provisions of Environment Code Chapter 24 prohibiting the sale or distribution of drinking water in plastic bottles with a capacity of twenty-one (21) fluid ounces or less at City-permitted events held at the Facility with attendance of more than 100 people.

25.22. ***Vending Machines; Nutritional Standards and Calorie Labeling Requirements; Offerings.*** Terminal Operator shall not install or permit any vending machine at the Facility without the prior written consent of Port. Any permitted vending machine must comply with the food and beverage nutritional standards and calorie labeling requirements set forth in San Francisco Administrative Code section 4.9- 1(c), as may be amended from time to time (the "**Nutritional Standards Requirements**"). Terminal Operator agrees to incorporate the Nutritional Standards Requirements into any contract for the installation of a vending machine at the Facility or for the supply of food and beverages to that vending machine. Failure to comply with the Nutritional Standards Requirements or to otherwise comply with this Section shall be deemed a material breach of this Agreement. Without limiting Port's other rights and remedies under this Agreement, Port shall have the right to require the immediate removal of any vending machine at the Facility that is not permitted or that violates the Nutritional Standards Requirements.

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, Terminal Operator will be required to provide community benefits and beautification measures in consideration for the use of the Facility. Examples of desired benefits include: (i) beautification, greening and maintenance of any outer edges of and entrances to the Facility; (ii) creation and implementation of a Community Outreach and Good Neighbor Policy to guide Terminal Operator's interaction with Port, neighbors, visitors and users; (iii) use or support of job training and placement organizations serving southeast San Francisco; (iv) commitment to engage in operational practices that are sensitive to the environment and the neighboring community by reducing engine emissions consistent with the City's Clean Air Program, and use of machines at the Facility that are low-emission diesel equipment and utilize biodiesel or other reduced particulate emission fuels; (v) commitment to use low impact design and other "green" strategies when installing or replacing stormwater infrastructure; (vi) employment at the Facility of a large percentage of managers and other staff who live in the local neighborhood or community; (vii) use of truckers that are certified by the City as "Local Business Enterprises" under the City's Local Business Enterprise and Non-Discrimination Ordinance; and (viii) use of businesses that are located within the Potrero Hill and Bayview Hunters Point neighborhoods.

27. MINERAL RESERVATION. The State of California ("State"), 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 Facility and Terminal Operator acknowledges such reserved rights including necessary ingress and egress rights. In no event shall Port be liable to Terminal Operator for any Claims arising from the State's exercise of its rights nor shall such action relieve Terminal Operator from any of its obligations under this Agreement.

28. AMENDMENTS. Port and Terminal Operator by mutual agreement in writing may alter or modify the terms of this Agreement with such adjustments and for such consideration as may be fair and equitable in the circumstances. No amendment, modification or deletion of any term hereof shall be effective unless it is written and approved by Port and signed by both of the parties. Any such amendment, modification or deletion shall not be effective until approved by the Federal Maritime Commission or the subject of a ruling by the Federal Maritime Commission that no such approval is required.

29. NOTICES.

29.1. ***Delivery.*** Any notice given under this Agreement shall be in writing and delivered by person, by commercial courier or by sending it by registered or certified mail, or express mail, return receipt requested, with postage prepaid, to the mailing address listed below. For the convenience of the parties, copies of notices may also be given by facsimile, to the facsimile number listed, or by electronic mail, but a person may not give official or binding notice by facsimile or electronic mail.

Port:

Executive Director
Port of San Francisco
Pier 1
San Francisco, CA 94111
Facsimile: (415) 274-0528

Copy to:

Port General Counsel
Port of San Francisco
Pier 1
San Francisco, CA 94111
Facsimile: (415) 274- 0494

$50,000 Pasha In the pavement

Terminal Operator:

John Pasha
Senior Vice President
Pasha Automotive Services
1309 Bay Marina Drive
National City, CA 91950-6303
Facsimile: (619) 477-3948

(415) 927-6306 Amy
I 927-6218

Copy to:

General Counsel
The Pasha Group
4040 Civic Center Drive, Suite 350
San Rafael, CA 94903
Facsimile: (415) 927-~~0885~~6218 LMG

Address for Service of Process:

Amy E. Manning
4040 Civic Center Dr. Ste 350
San Rafael, CA 94903

Any mailing address or facsimile number may be changed at any time by giving written notice of such change in the manner provided above at least ten (10) days prior to the effective date of the change. All notices under this Agreement shall be deemed given, received, made or communicated on the date personal receipt actually occurs or, if mailed, on the delivery date or attempted delivery date shown on the return receipt.

29.2. ***Content.*** Every notice (other than the giving or withholding of consent, approval or satisfaction under this Agreement, but including requests therefor) shall comply with the following requirements. Each such notice shall state: (i) the section of this Agreement pursuant

to which the notice is given and (ii) the period of time within which the recipient of the notice must respond or if no response is required, a statement to that effect. Each request for consent or approval shall contain reasonably sufficient data or documentation to enable the recipient to make an informed decision.

29.3. ***Conclusive Presumptions.*** If any person, including any party, that receives any notice that pertains to an unmatured event of default or an intention to terminate does not notify the person that sent the notice of any alleged deficiencies in the form, content, or delivery of the notice within five (5) days after receipt of the notice, the notice shall be conclusively presumed to comply with all provisions of this Agreement.

30. ATTORNEY'S FEES. If either party hereto brings any action against the other party for any reason arising out of this Agreement, the prevailing party will be entitled to recover from the other party its costs and expenses of suit, including but not limited to reasonable attorneys' fees related to the action or an appeal of the action, whether or not such action is prosecuted to judgment. "**Prevailing party**" includes, without limitation, a party who substantially obtains or defeats, as the case may be, the relief sought in the action, whether by compromise, settlement, judgment or the abandonment by the other party of its claim or defense. Reasonable fees of attorneys of the City's Office of the City Attorney shall be based on the fees regularly charged by private attorneys with an equivalent number of years of professional experience (calculated by reference to earliest year of admission to the Bar of any State) who practice in San Francisco in law firms with approximately the same number of attorneys as employed by the Office of the City Attorney.

31. LIMITATION ON DAMAGES.

31.1. ***No Recourse Beyond Value of Facility.*** Notwithstanding anything to the contrary contained in this Agreement, Terminal Operator agrees that Terminal Operator will have no recourse with respect to, and Port will not be liable for, any obligation of Port under this Agreement, or for any claim based upon this Agreement, except to the extent of the fair market value of Port's fee interest in the Facilities (as encumbered by this Agreement). Terminal Operator will look solely to the fair market value of Port's fee interest in the Facilities for the recovery of any judgment or award. By Terminal Operator's execution and delivery hereof and as part of the consideration for Port's obligations hereunder, Terminal Operator expressly waives all other liability. Before filing suit for an alleged default by Port, Terminal Operator will give Port notice and reasonable time to cure the alleged default.

31.2. ***Non-Liability of City Officials, Employees and Agents.*** No elective or appointive board, commission, member, officer, employee or other Agent of City and/or Port will be personally liable to Terminal Operator, its successors and assigns, in the event of any default or breach by City and/or Port or for any amount which may become due to Terminal Operator, its successors and assigns, or for any obligation of City and/or Port under this Agreement. Under no circumstances will Port, City, or their respective Agents be liable under any circumstances for any consequential, incidental or punitive damages.

31.3. ***Limitation on Port's Liability Upon Transfer.*** In the event of any transfer of Port's interest in and to the Facility, Port (and in case of any subsequent transfers, the then transferor), subject to the provisions hereof, will be automatically relieved from and after the date of such transfer of all liability with regard to the performance of any covenants or obligations contained in this Agreement thereafter to be performed on the part of Port.

32. CONTROLLER'S CERTIFICATION OF FUNDS. The terms of this Agreement shall be governed by and subject to the budget and fiscal provisions of the Charter of the City and County of San Francisco ("**Charter**"). Notwithstanding anything to the contrary contained in this Agreement, there shall be no obligation for the payment or expenditure of money by Port under this Agreement unless the Controller of the City and County of San Francisco first certifies, pursuant to Section 3.105 of the Charter, that there is a valid appropriation from which the expenditure may be made and that unencumbered funds are available from the appropriation to pay the expenditure. Without limiting the foregoing, if in any fiscal year of City after the fiscal year in which the term of this Agreement commences, sufficient funds for the payment of any

payments required under this Agreement are not appropriated for any reason, then Port may terminate this Agreement without penalty, liability or expense of any kind to Port as of the last date on which sufficient funds are appropriated. Port shall use its reasonable efforts to give Terminal Operator reasonable advance notice of such termination.

33. MISCELLANEOUS PROVISIONS.

33.1. ***Captions.*** The provisions of this Agreement shall be constructed as a whole according to their common meaning and not strictly for or against any party in order to achieve the objectives and purposes of the parties. Any caption preceding the text of any section, paragraph, or subsection or in the table of contents is included only for convenience of reference and shall be disregarded in the construction and interpretation of this Agreement. Wherever required by the context, the singular shall include the plural and vice versa, and the masculine gender shall include the feminine or neuter genders, or vice versa.

33.2. ***Neutrality.*** This Agreement has been negotiated at arm's length and between persons sophisticated and knowledgeable in the matters dealt with herein. In addition, each party has been represented by experienced and knowledgeable legal counsel. Accordingly, this Agreement shall be interpreted to achieve the intents and purposes of the parties, without presumption against the party responsible for drafting any part of this Agreement (including, but not limited to, California Civil Code Section 1654).

33.3. ***Time is of the Essence.*** Time is of the essence in each and all of the provisions of this Agreement.

33.4. ***Severability.*** If any provision of this Agreement, or its application to any person or circumstance, is held invalid by any court, the invalidity or inapplicability of such provision shall not affect any other provision of this Agreement or the application of such provision to any other person or circumstance, and the remaining portions of this Agreement shall continue in full force and effect, unless enforcement of this Agreement as so modified by and in response to such invalidation would be grossly inequitable under all of the circumstances, or would frustrate the fundamental purposes of this Agreement.

33.5. ***Duplicate Originals.*** This Agreement may be executed in more than one copy in which event each such copy shall be deemed an original.

33.6. ***United States Currency.*** All dollar amounts set forth in this Agreement refer to the currency of the United States of America, unless otherwise expressly indicated.

33.7. ***Entire Agreement.*** This Agreement (including the Exhibits and Schedules), for so long as such agreement is in effect, constitute the entire Agreement between the parties with respect to the subject matter, hereof and supersede all negotiations or previous agreements between the parties with respect to all or any part of the terms and conditions mentioned herein or incidental hereto. No prior drafts of this Agreement or changes from those drafts to the executed version of this Agreement shall be introduced as evidence in any litigation or other dispute resolution proceeding by any party or other person, and no court or other body should consider those drafts in interpreting this Agreement.

33.8. ***Interpretation of Words.*** Wherever the words "as directed", "as required", "as permitted", or words of like effect are used, it shall be understood that the direction, requirement, or permission of Port and City is intended. The words "sufficient", "necessary", "required", or "proper", and the like mean sufficient, necessary, required or proper in the judgment of Port and City. The words "approval", "acceptable", "satisfactory", or words of like import shall mean approved by, or acceptable to, or satisfactory to Port and City, unless otherwise indicated by the context.

33.9. ***Government Code Claim Requirement.*** No suit for money or damages may be brought against the City until a written claim therefor has been presented to and rejected by the City in conformity with the provisions of San Francisco Administrative Code Chapter 10 and California Government Code Section 900, et seq. Nothing in this Agreement shall operate to toll, waive or excuse Terminal Operator's compliance with the California Government Code

Claim requirements set forth in San Francisco Administrative Code Chapter 10 and California Government Code Section 900, et seq.

33.10. ***Successors***. All the terms, covenants and conditions of this Agreement shall inure to the benefit of and be binding upon the successors and assigns of the parties hereto; provided, however, that the foregoing shall not constitute or be deemed a waiver of any of the prohibitions against Transfer contained in this Agreement.

33.11. ***Applicable Law***. This Agreement shall be deemed to be made in California and shall be governed by and construed in accordance with the laws of the State of California, and the City's Charter. Each party hereby consents to the jurisdiction of the state courts of the State of California and the federal courts located in California and waive any protest thereto.

34. REPRESENTATIONS AND WARRANTIES. Terminal Operator represents, warrants and covenants to Port the following:

(a) Incorporation; Qualification; Status. Terminal Operator is a duly incorporated, valid and existing corporation; Terminal Operator is in good standing under the laws of the state of California; Terminal Operator is qualified to do business in California.

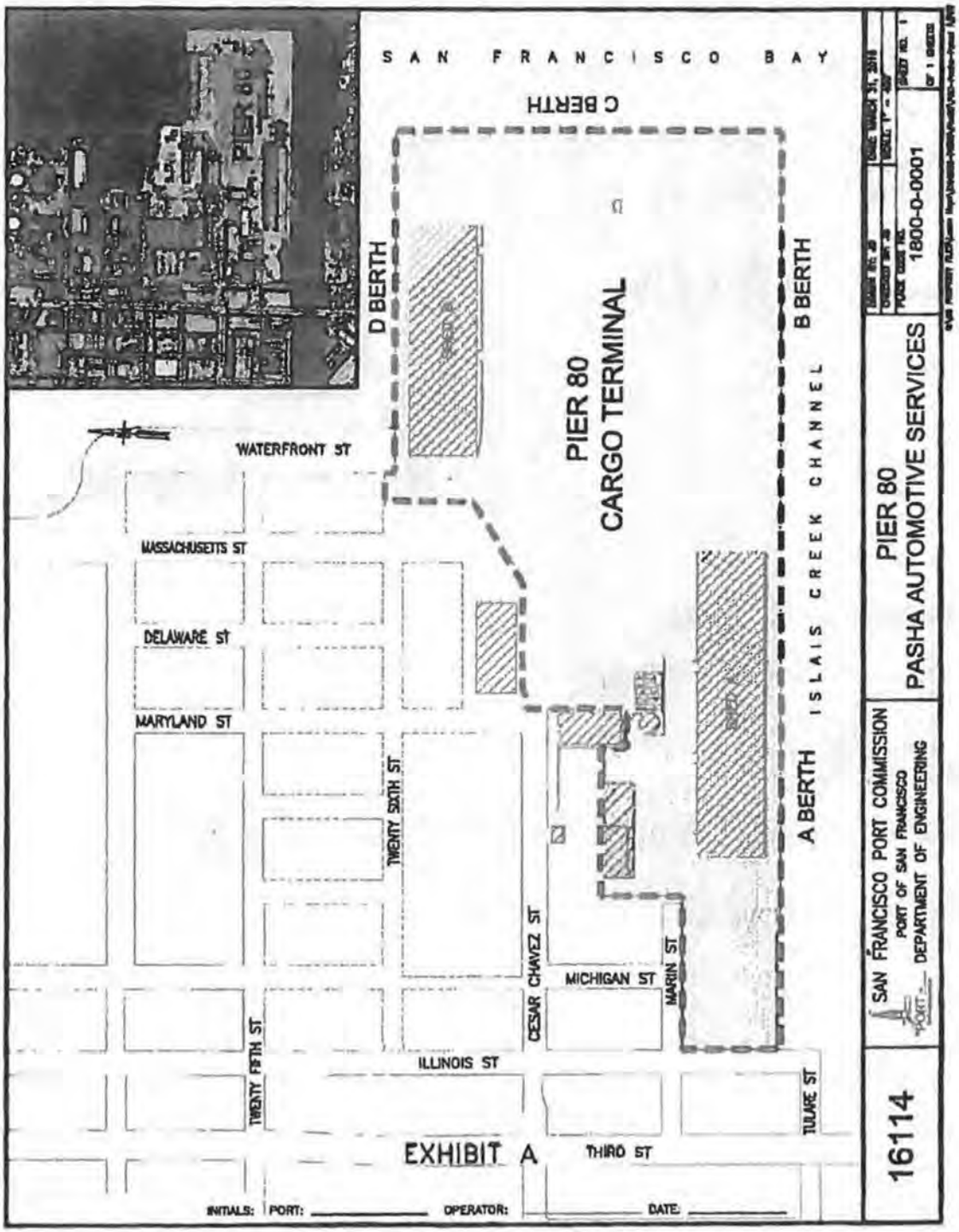
(b) Authority of Corporation. Terminal Operator has full corporate power and authority to enter into this Agreement and to consummate the transactions contemplated by it. This Agreement has been duly authorized by all necessary action on the part of Terminal Operator and no other corporate action on the part of Terminal Operator is necessary to authorize the execution and delivery of this Agreement.

(c) Authority of Signatory. Each individual executing the Agreement on behalf of Terminal Operator represents, warrants and covenants that such person is duly authorized to execute and deliver the Agreement on behalf of Terminal Operator in accordance with its Bylaws and that the Agreement is binding upon Terminal Operator in accordance with its terms.

[REMAINDER OF THIS PAGE LEFT BLANK]

EXHIBIT A

FACILITY DESCRIPTION



IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the dates indicated below.

CITY AND COUNTY OF SAN FRANCISCO
A municipal corporation operating by and through the
SAN FRANCISCO PORT COMMISSION

By _____
Elaine Forbes
Interim Executive Director

Date Executed: 7/28/16

PASHA AUTOMOTIVE SERVICES
A California Corporation

By _____
Amy Sherburne Manning
Corporate Secretary

Date Executed: _____

By _____
James R Britton
Chief Financial Officer

Date Executed: 7/28/2016

APPROVED AS TO FORM:

DENNIS J. HERRERA, City Attorney

_____
By: Rona H. Sandler
Deputy City Attorney

Agreement Prepared By: Peter Dailey, Port Maritime Director _____ (initials)

Approved by Port Commission Resolution No. 16-16

EXHIBIT B

ACTIVITY REPORT

Exhibit B

PORT OF SAN FRANCISCO
TERMINAL ACTIVITY REPORT

LOA

SHIPPING LINE: LOCAL AGENT:

VESSEL: LAST PORT:

TERMINAL: BERTH: NEXT PORT:

ARRIVAL DETAILS		DEPARTURE DETAILS	
VOY:	DAY:	VOY:	DAY:
ARR DATE:	TIME:	DEP DATE:	TIME:

CRANE #	DATE USED	SHIFT TIME USED BEGIN	SHIFT TIME USED END	TOTAL SHFT HRS USED	STANDBY A	VSL OPNS B	BRKDWN C	MAINT D	SHFT BRKS E
Totals									

Work Time(Breakbulk Rate)

Category	Hours	Brkblk Rate	Cntr Rate	Totals	Reasons
Work Time(Standard Rate)	0 0	139.65	399 00		
Standby	0 0	69.83	199 50		
Maintenance Charges	0 0	39.69	113 40		
Total Start-Up Charges	0 0	31.50	31.50		
Total Shut-Down Charges	0 0	31.50	31.50		
				$ -	

WHARFAGE - ITEM NO. 242

		Metric Tons	Cubic Meter	Rate	Amount
1	Yachts, sailing boats, and pleasure craft			4.41	0.00
2	Yachts, sailing boats, and pleasure craft when not manifested as cargo			7.11	0.00
3	Yachts, sailing boats and pleasure craft(float on/float off)			4.53	0.00
	TOTALS	0	0		0.00

WHARFAGE - CONTAINER - ITEM NO. 269

	EACH		
0 - 7 meters		166.46	0.00
Over 7 meters		250.90	0.00
		TOTAL	0.00

WHARFAGE - CONTAINER - ITEM NO. 270

	EACH		
0 - 7 meters		166.46	0.00
Over 7 meters		285.38	0.00
		TOTAL	0.00

WHARFAGE - AUTO - ITEM NO. 285

		EACH		
1	Vehical, not exceeding ten (10) pax		24.00	0.00
2	Commercial vehicles (up to 26,000lbs)		18.38	0.00
3	Commercial vehicles (over 26,000lbs)		20.63	0.00
			TOTAL	0.00

DEMURRAGE

# Vehicle	# DAYS		
		0.85	0.00
		TOTAL	0.00

STORAGE

	# Vehicle	# DAYS		
Stored in closed areas			5.85	0.00
Stored in open areas			2.30	0.00
			TOTAL	0.00

PREPARED BY _____ DATE _____

EXHIBIT C

JOINT MAINTENANCE AND FACILITY SURVEY

Exhibit C

Pier 80 Conditions Survey June 30, 2016

Condition Surveys conducted by Port of San Francisco Shop Foreman

Report compiled by PortSF Wharfinger Aaron Golbus

1. Plumbing Shop Survey (sewer, water & storm drains)
2. Electrical Shop Survey
3. Sheet Metal Shop Survey (roofs & siding)
4. IronWorker Shop Survey (roll up doors)

Port SF is designing and will complete a Pier 80 Sewer Repair and Upgrade project. The design phase is @ 80% complete.

Port SF will complete @ 2900 Sqr ft of Roof replacement and repair as necessary. The Pier 80 Shed D Roof Repair Project has been assigned a Contract No. (2785) and is in the process of being put out to bid.

Port of San Francisco Plumbing Shop

Pier 80 Conditional Survey

Prepared by Dave Rauenbuehler

6-2016

Main Yard:

Two large water services with SFWD meters (and SFWD Accounts) at the Caesar Chavez Gate and Marin Street Gate. Water provides fire protection and potable water for the pier. It also feeds a SFWD deduct water meter that serves an additional tenant space, the truck repair shop that is in the old M&R Bldg. Both of these SFWD master meter systems lack a master backflow device that is required by the governing agencies. All fire hydrants inside yard run off master water meter system, were operational and serviceable (Image #23). The water main piping system inside the main yard has not failed for a few years, however because of the depth that it is located throughout the yard it can be difficult to repair. A few years ago the Port maintenance rerouted 200' of 12" piping atn the Marin Street Gate side to accommodate a new railroad track. This section is new and should be trouble free for years to come.

The ships water services that used to go to the C face berths have failed and need to be re-piped. (Image #6) There are valves on the land side of the sea wall that have been repaired in the last couple of years (Image #19, 20). Ships on the C face berth that request water, obtain a SFWD maritime deduct water meter, and attach to the fire hydrant on the north east side of the stevedores building closest to C Face. A portable backflow device is required to make this ship connection work. On the B face there are 2 ships water service connections with backflows that are operational. (Image #13, 14, &15)

Sewager is both pumped and gravitated to PUC sewers on Caesar Chavez and Marin Street. The Marin Street sewer outside our gate that belongs to the PUC has a negative grade issue. The D Shed pump station presently is not operational, and the Port has a plan to rebuild it along with a forced main piping system. The C Shed Pump Station is not operational and the Port is replacing it along with a forced sewer main that will feed into the new D Shed pump station. For additional information contact Port's Engineering Department. The B Stevedore's restroom has a dual 2" pump system that works on floats and was operational. Some manholes located in the yard have a large cast iron outer receiving ring because of their shallow nature and there was no room to install concrete cones. Some of these rings and manhole lids have been welded together.

Storm drains located throughout the yard gravitate to the bay, only one has an operating back water valve. Some of the catch basins back up when tides are high and/or turbulent. Some of this bay water ponds in low spots and slowly evaporates leaving asphalt with salt crystals, due to grade of the paving. (Image 17)

A large PUC sewer outfall pipe goes underneath a shed through the yard and feeds a diffuser that is located in the bay. There is a manhole and knife style valve with a cover that is in the yard on the east side along the c face. The PUC does come by and check this manhole from time to time. There is also a vent pipe that is attached to a light stand along the C side. This manhole and vent has leaked from time to time in the past, but normally is trouble free. The PUC may ask for access to these areas from time to time. (Image #11) (Image #12)

There are two drive-over scales, and they have sump pumps that discharge to the 501 Caesar Chavez Building's basement pump station. A side note is that the 501 Caesar Chavez building's basement sump pump maintenance requires truck crane access from the yard directly east. Please feel free to ask me should you have any question concerning this.

A side note there is a pair of mating Osprey birds that have taken up residence on the top of a light stand that is due south of D shed. Their presence is being monitored by the Audubon Society. (Image #16)

D Shed:

There is a large water main that travels from west to east in the south section of the ceiling area. This line continues outside and feeds some fire hydrants, ships water sources on the C face, and the C stevedore's building.

The pump station that serves this building has been temporarily abandoned and the Port has a capital project to repair it. Currently no sewage can be operated inside this building because of this. (See paragraph about main yard) (Image #2)

There is a multiple restroom building inside, on the north side of D shed. These restrooms have for the most part been stripped of brass and copper by thieves and in their present condition will not operate. These rooms are coated in dust, dirt and debris. The fixtures do not comply with current water saving standards in the current San Francisco Plumbing Code. The restroom is fire sprinkled but the backflow device is unregistered and has never been certified.

There is a Port deduct water mater that feeds Sheen Storage located outside the fence line west of D shed. The backflow has not been tested, and the meter cock is in the off position.

There is a two story office building inside, the plumbing has been stripped of brass and copper by thieves and is not operational. There is a furnace upstairs that was probably replaced in the last 15 years. The restroom has been vandalized and stripped of brass and copper and will need to be rebuilt to become operational. The building has a fire sprinkler system that feeds off the combination potable water/fire service that travels through the roof of the building. There is a backflow device that is unregistered and has never been certified. (Image #3)

There is a PG&E gas meter that serves this shed. It appears to be operational. Additional capacity for additional gas appliances would need to be engineered prior to installation with PG&E.

Cleanouts for the sewer inside this shed were paved over by previous tenants, and their locations are presently unknown. We recommend that camera surveys prior to these drains should become operational.

There is a ships sewer service on the berth outside D shed that is broken both above and below the deck. (Image #4)

There is a Port Deduct Water meter with a backflow on the A face that is operational. (Image #5)

Most of the rain water liters on the south face of the building have separated because of ground settlement. These liters now dump on top of the loading dock, instead of going through the dock itself. (Image #1)

C Shed Stevedore Building:

Water is off to the building and fixtures could not be tested.

MRR lavatory sink is missing aerator; both faucets feel rough and need to be rebuilt prior to operation. (Image #8)

MRR mirror is missing.

MRR urinal partition is missing

MRR; 4 flushometers to water closets have been stripped by thieves and need to be replaced prior to operation.

MRR fixtures do not meet current SFWD water savings standards.

MRR; Partitions require anchoring and alignment to operate, currently they are loose and doors will not close properly. (Image #10)

MRR; toilet paper dispenser and seat cover holders are not attached to walls, or are missing.

WRR; flushometer has been stripped by thieves and would need to be replaced prior to operation.

WRR; Sanitary napkin machine is open and key is missing.

WRR; Partitions are loose from anchoring points.

I was not able to test Drinking fountain and water heater because water is off. (Image #7)

B Shed Stevedore Building:

Main entry door is damaged and does not close properly.

MRR; Lavatory faucets need rebuilding, and aerator are missing.

MRR; Urinal flush valve angle stop cover is missing. (Image #9)

MRR; the Urinal privacy patrician missing. (Image #9)

MRR; Toilet paper dispensers are broken.

MRR: Partitions require anchoring and alignment to operate, currently they are loose and doors will not close properly.

Water heater temperature and pressure relief valve leaks, and appears to need new heating elements to become operational.

None of the current fixtures meet SFWD water savings standards. This building has a small double pump station to handle waste, it is operational. The Port recently rerouted this pump station's forced main, eliminating a dead leg and adding a cleanout, making it easier to maintain.

A Shed

The building has a manifold pair of SFWD meters and the account is billed through SFWD. This area shows signs of ground settlement and the piping system is under stress. (Image #25)

There were two restrooms that were removed by America's Cup along the south east and south west walls. Water and gas utilities were capped off, I suspect that the sewer was capped off and cemented over. (Image #26)

There is a large restroom on the north center wall that was installed by America's Cup, currently the doors are ply wooded over and there is no access. The water and sewer to this unit looks serviceable, however there is signs of vandalism on the north side wall, which I suspect was a laundry room but due to the limited access was unable to determine its serviceability.

There is a PG&E gas meter on the center north loading dock that is serviceable, the gas has been capped off because of a settlement break (America's Cup installation) thist could be repaired to continue gas service to this shed. Future gas demand would require engineering to determine feasibility. (Image #31)

There is a pair of PUC underground out fall pipes that travel west to east through the shed with a pair of manholes that require them to monitor inside the shed. I believe that they run down the center but I could not find them the other day. I suspect that they might have been paved over.

There is a hose bib water connection on the south east wall that was installed by America's Cup that lacks any backflow protection. (Image #28, 27)

There is a two story office building in the center along the north wall. The kitchen sink and cabinet has been removed but drain and water angle stops are serviceable. The hot water piping downstream from the water heater has been vandalized and the water supply has been shutoff, but the heater itself is not very old and is serviceable (Image #24). The gas was off to the appliance and this could not be tested. There was a lavatory sink and a toilet that operates and is serviceable. These fixtures do not meet current SFWD water saving standards. Upstairs room was locked and I was not able to enter and investigate. There are two laundry tray sinks attached to the south wall of this structure, these two have been vandalized and are not servicable in their present condition. The sewer connection is also leaking due to ground settlement and should be repaired prior to the operation of this building (Image #29). I am uncertain of the heating system that operates this building because I could not get upstairs to look at it.

Rain water liters along the north wall have separated from ground settling and dump onto the deck. (Image #30)

A Shed currently houses a homeless shelter, this is temporarily and its removal should be confirmed with Aaron Golbus Port Wharfinger.

A Shed sewage gravitates to an underground pump station located under the north loading dock. This pump station is active and is operational. The Port Plumbing shop preforms a monthly preventive maintenance work order to confirm its operation. Two years ago we repaired a section of this forced sewer main that failed by the railroad tracks. The discharge from this pump station enters a manhole in the driveway west of the Marin Street gate.

M&R Building

Small restroom west north corner of the building was not accessible. Last time I looks at this restroom it was very rough, and I suspect that they will require repairs prior to their operations. I also believe that the fixtures do not meet the current SFWD water savings standards.

Mechanics restroom inside center of building was operational and serviceable. There were two water closets, two urinals and two sheet metal showers (Image #21). One of the urinals has a leak at the wall and should be repaired (Image #22). None of these fixtures meet current SFWD water savings standards.

Octagon Office Building

Building water is on a SFWD deduct water meter with billing through SFWD.

Both men's and women's restrooms were operational and serviceable. The urinal flush valve sticks and should be rebuilt. None of these fixtures meet current SFWD water saving standards. The drinking fountain has a very low flow and should be serviced or replaced.

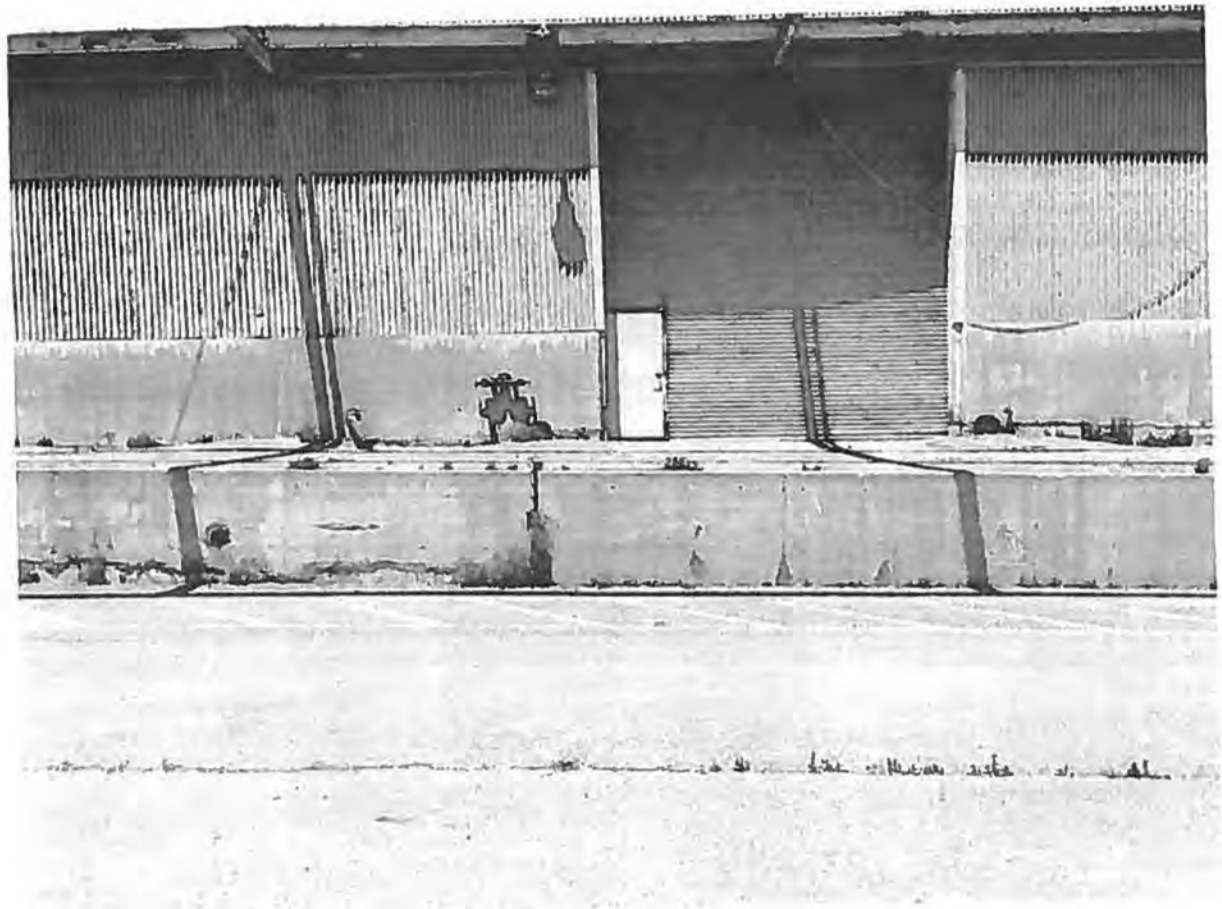
The building gas a PG&E gas meter feeding a furnace and water heater.

There are two drive over scales that have submergible pumps to dewater rain water that accumulates inside of them.

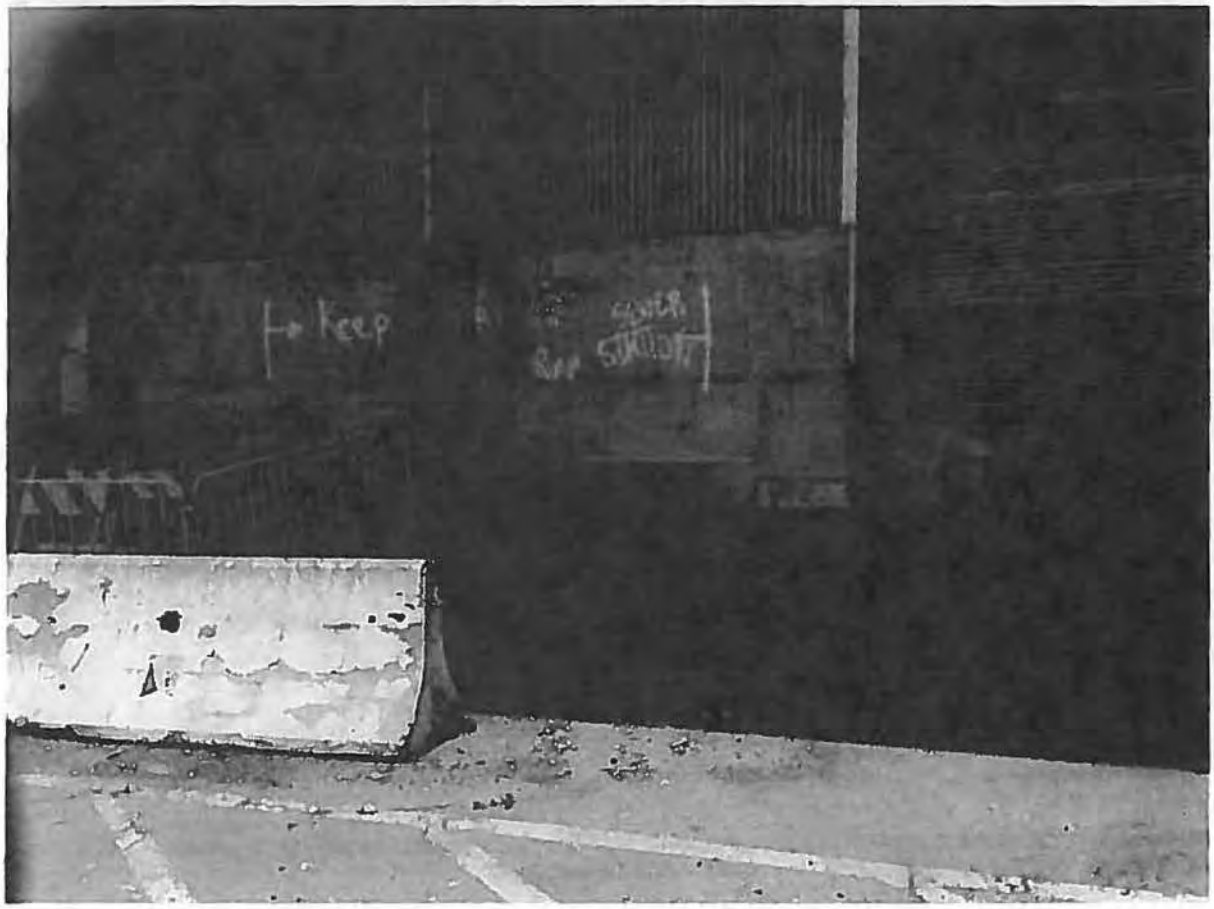
I tried to cover all aspects of plumbing and mechanical issues at Pier 80, but due to a great deal of service calls this week I had a limited amount of time to put this together. I may have missed something but tried to cover the main points. I will be glad to meet with any one concerning any of the issues that I have reported on.

Dave Rauenbuehler

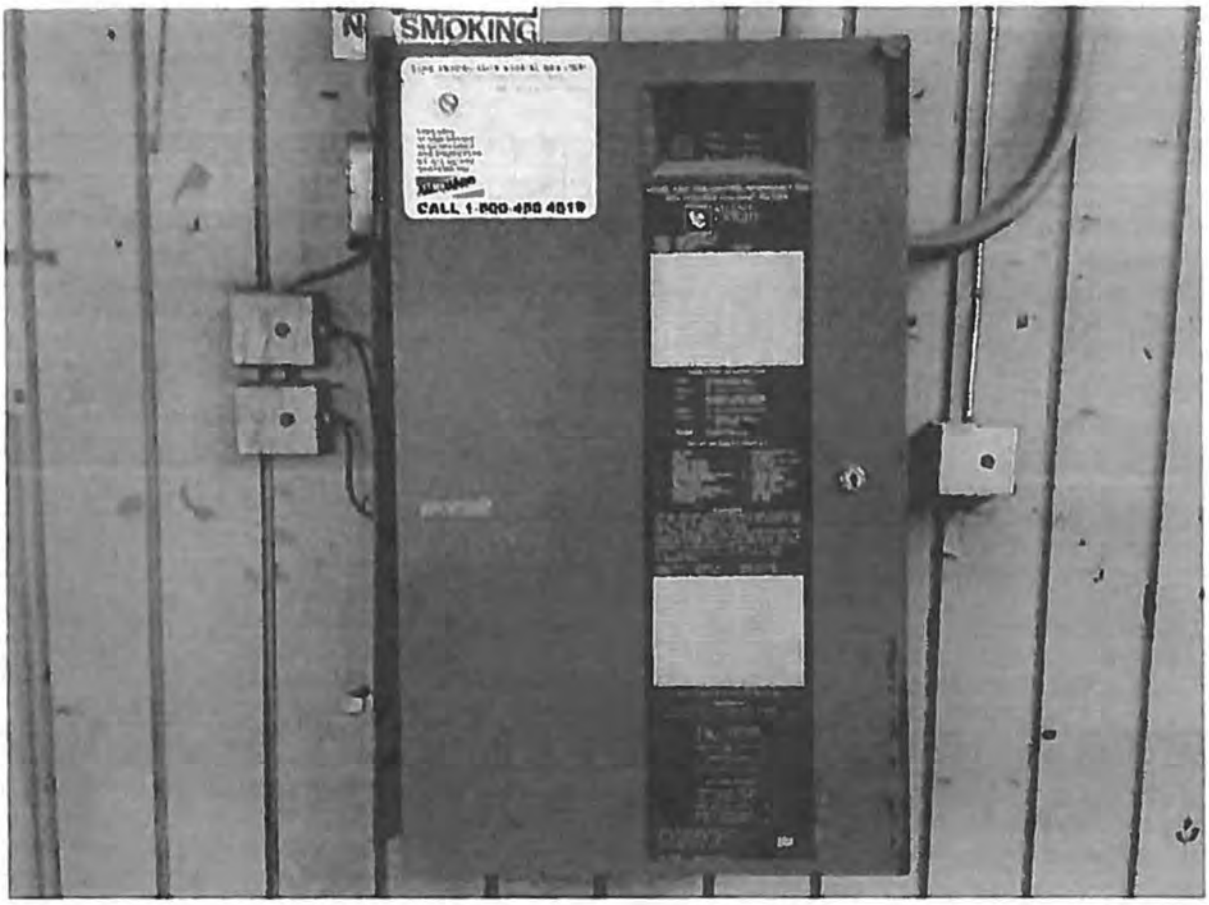
Port Plumbing Supervisor



P80 A Shed Rain water liter dumping on loading dock, and fire department connection. (Image #1)



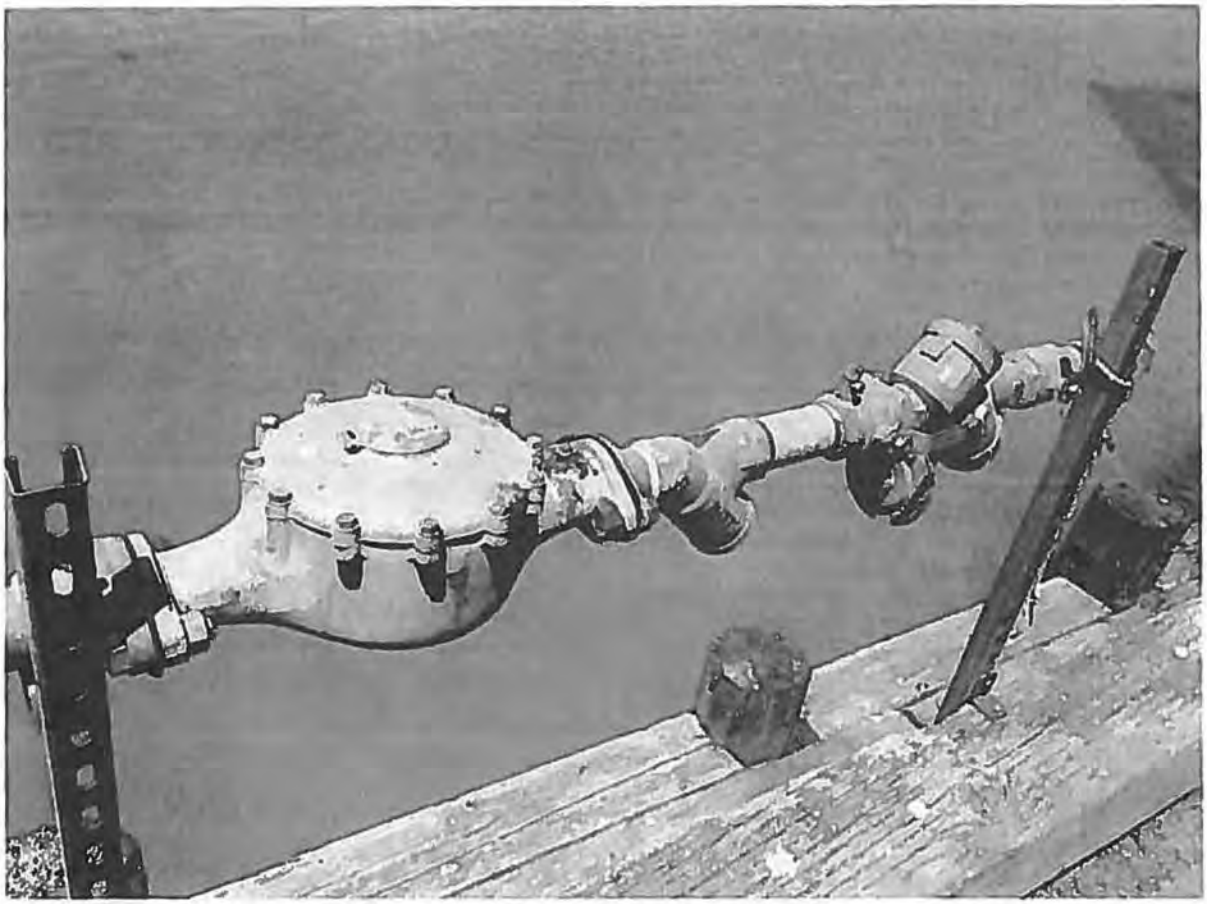
P80 A Shed Sewer Pump Station (Image #2)



P80 A Shed Un-operational fire alarm panel (Image #3)

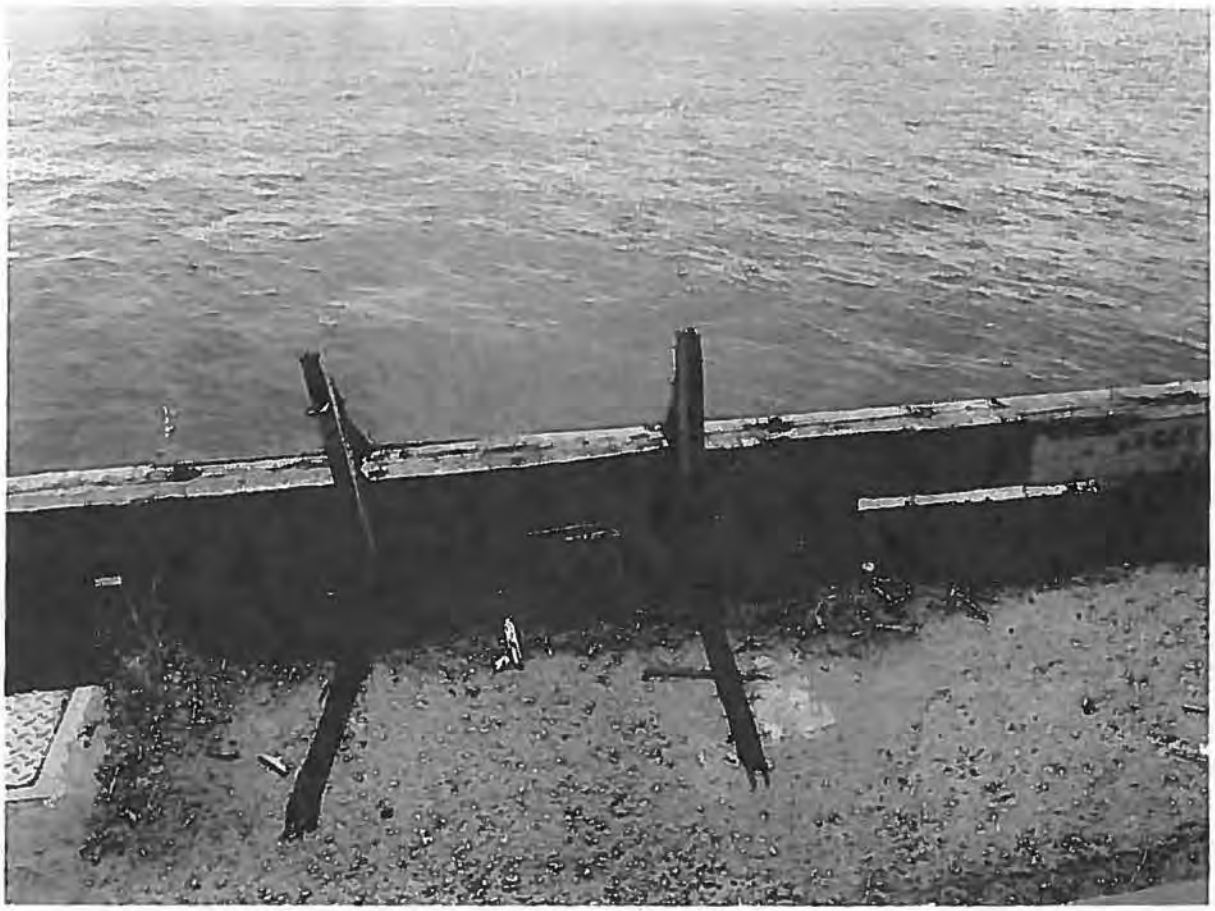


Forced Sewer Ship Connection on north side of P80, note that it is broken and unserviceable. (Image #4)



Ships water connection north side of P80, operational, note Port deduct water meter, not SFWD.

(Image #5)



P80 C Face missing ships water service (Image #6)



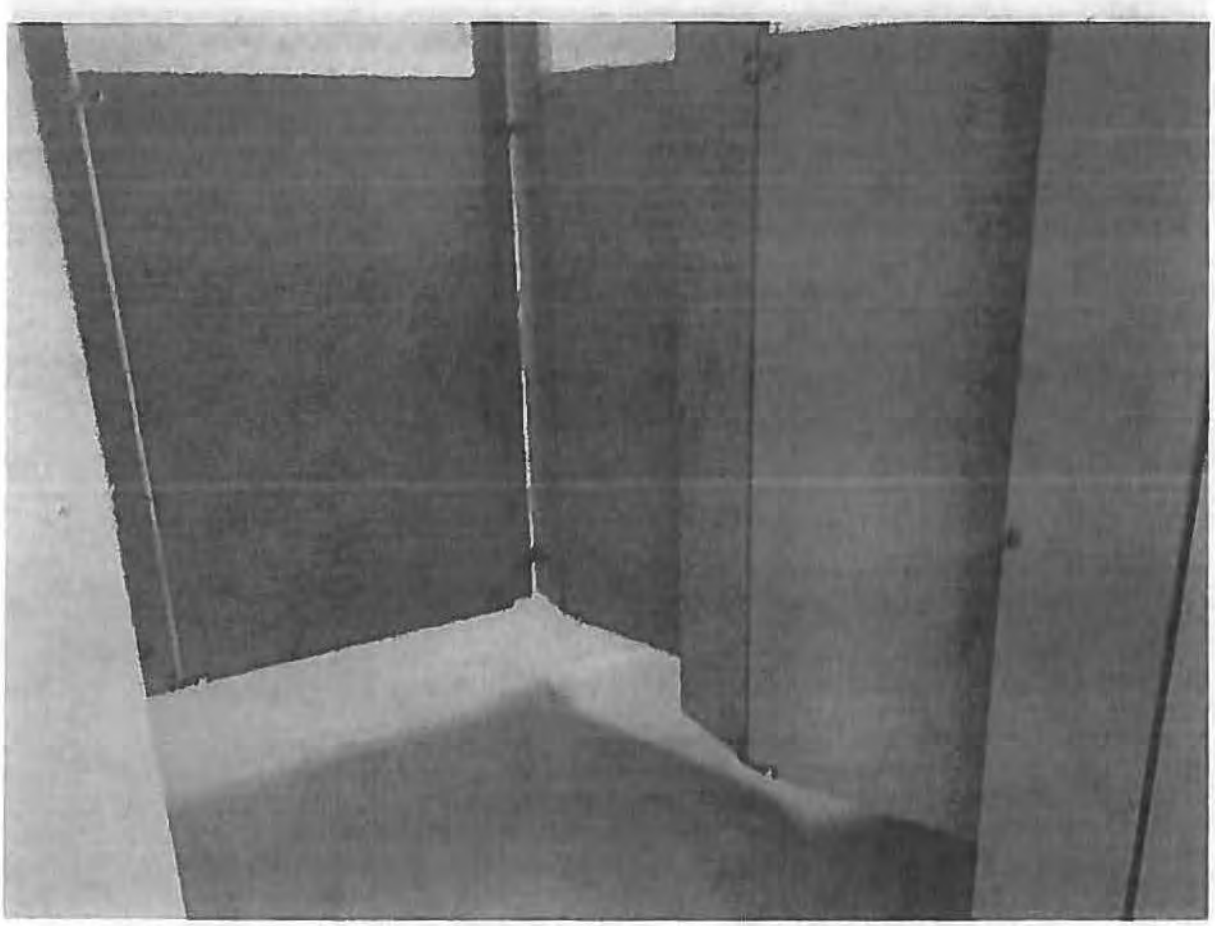
C Stevedore's Building: drinking fountain missing parts (Image #7)



P80 C MRR sink faucets need rebuilding (Image #8)



P80 C MRR angle stop cover missing, partition missing (Image #9)



P80C MRR Partitions anchoring is failing and doors don't operate. (Image #10)



P80 C Face; PUC outfall from sewer treatment plant access manhole and gate valve (Image #11)

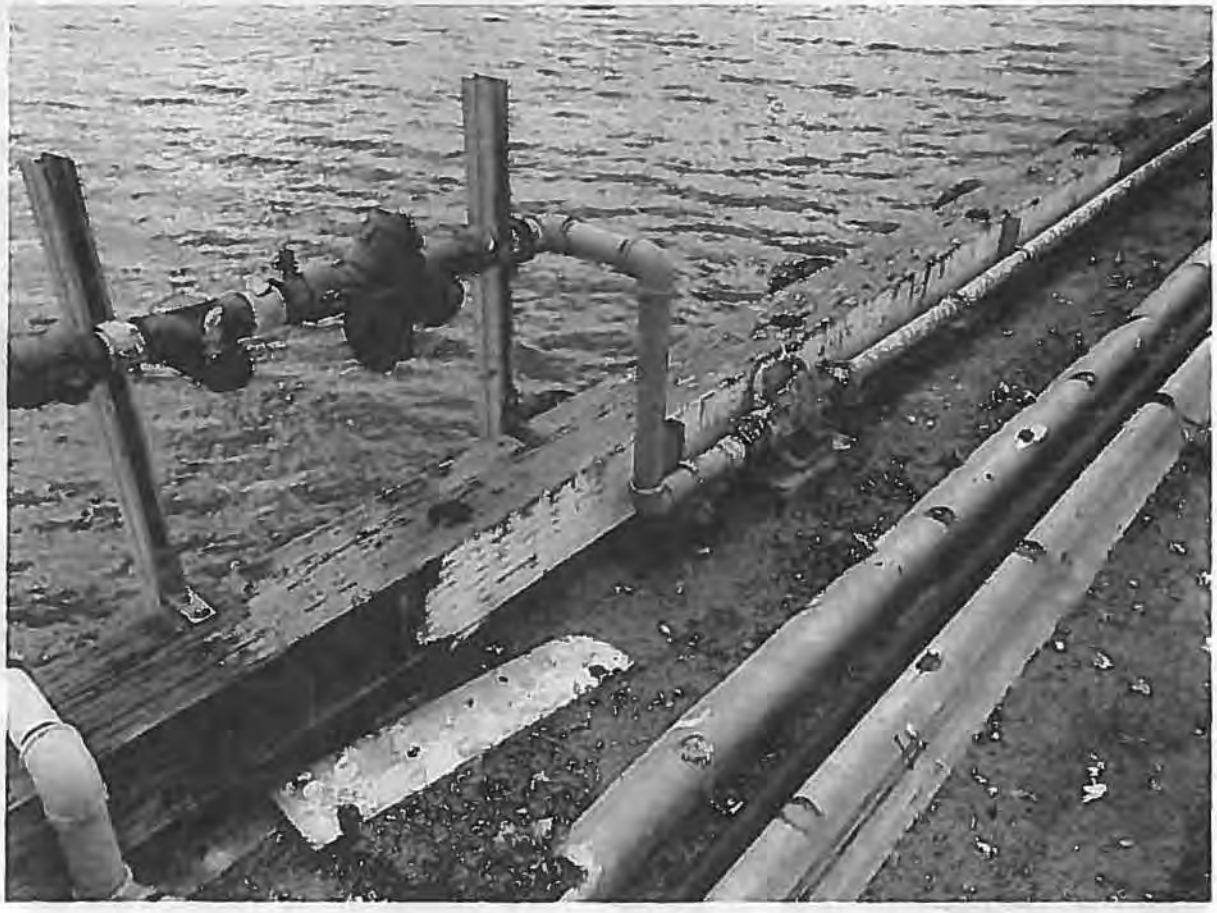


P80 C Face Main Yard light pole stand with sewer outfall vent pipe attached. Also there is a round sign saying that there is a submerged sewer outfall. The PUC is planning to paint these in the near future. (Image #12)

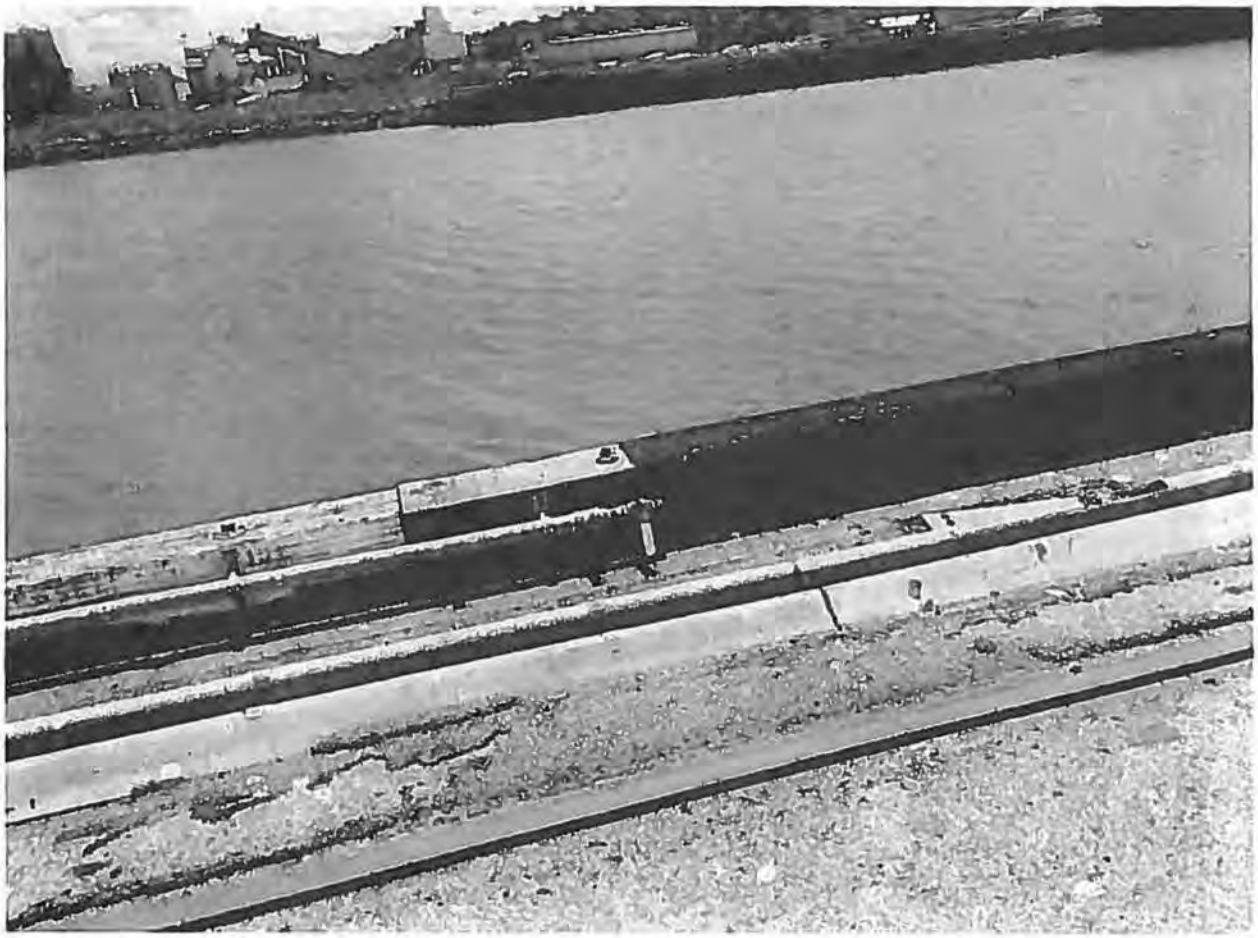


P80 B Face ships water service, note that it is upside down, and should not be operated this way.

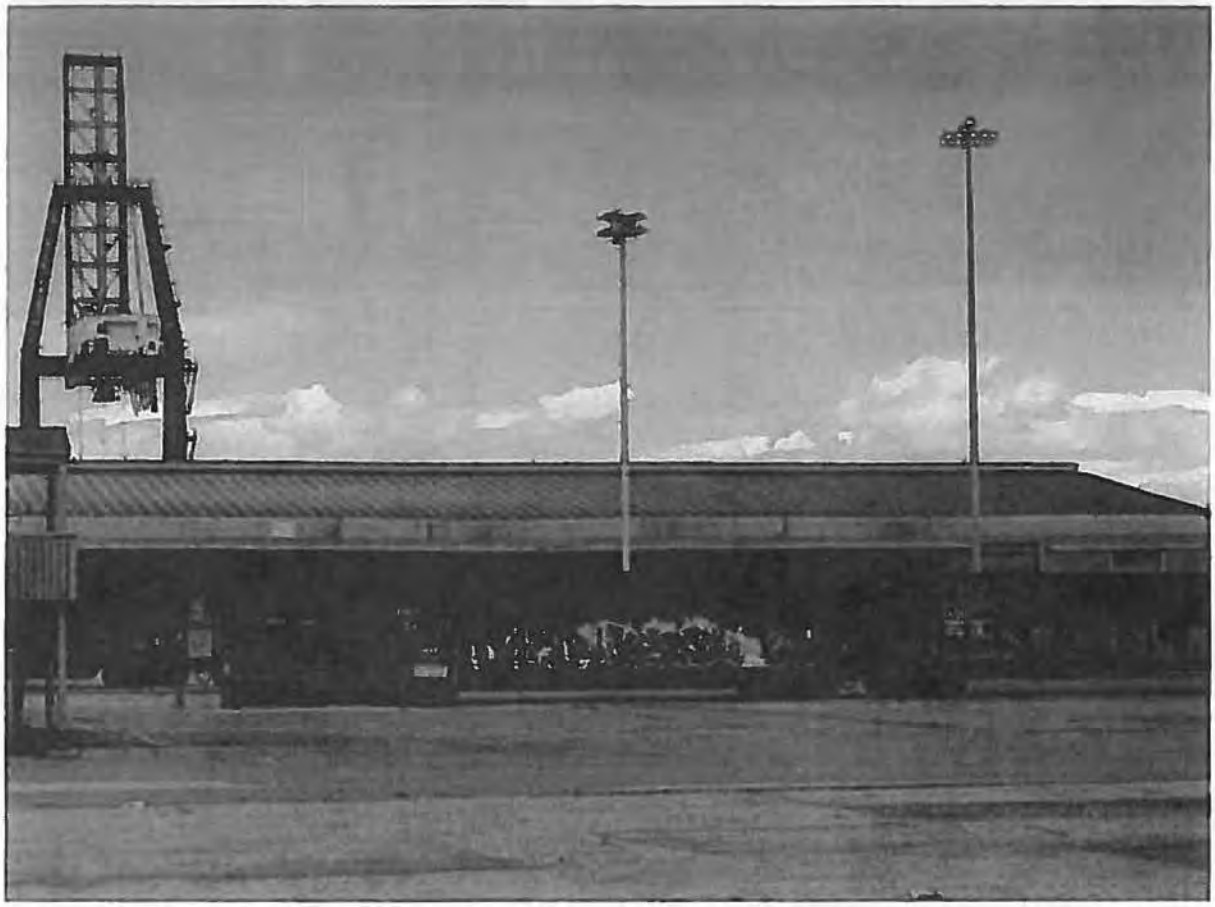
(Image #13)



P80 B Face (west) backflow and SFWD maritime meter that feeds hose connection to the west. This was installed by America's Cup and should probably be shortened. (Image #14)



P80 B Face Ships water connection (see above image) (Image #15)



P80 Yard (center looking north) this light stand has a pair of Osprey birds that are presently roosting in it. (Image #16)



P80 Center East Main Yard; Catch basin with back water valve (Image #17)



P80 Main Yard Center East: Yard valve to ships water services (Image #18)



P80 C face underground valve and recent repair for ships water service (Note piping and valve under deck and on face are missing). (Image #19)



P80 C Face (north) recently repaired underground valve feeding ships water service (Note piping and valve under deck and on face are missing). (Image #20)



P80 M&R Mechanics shower (serviceable) (Image #21)



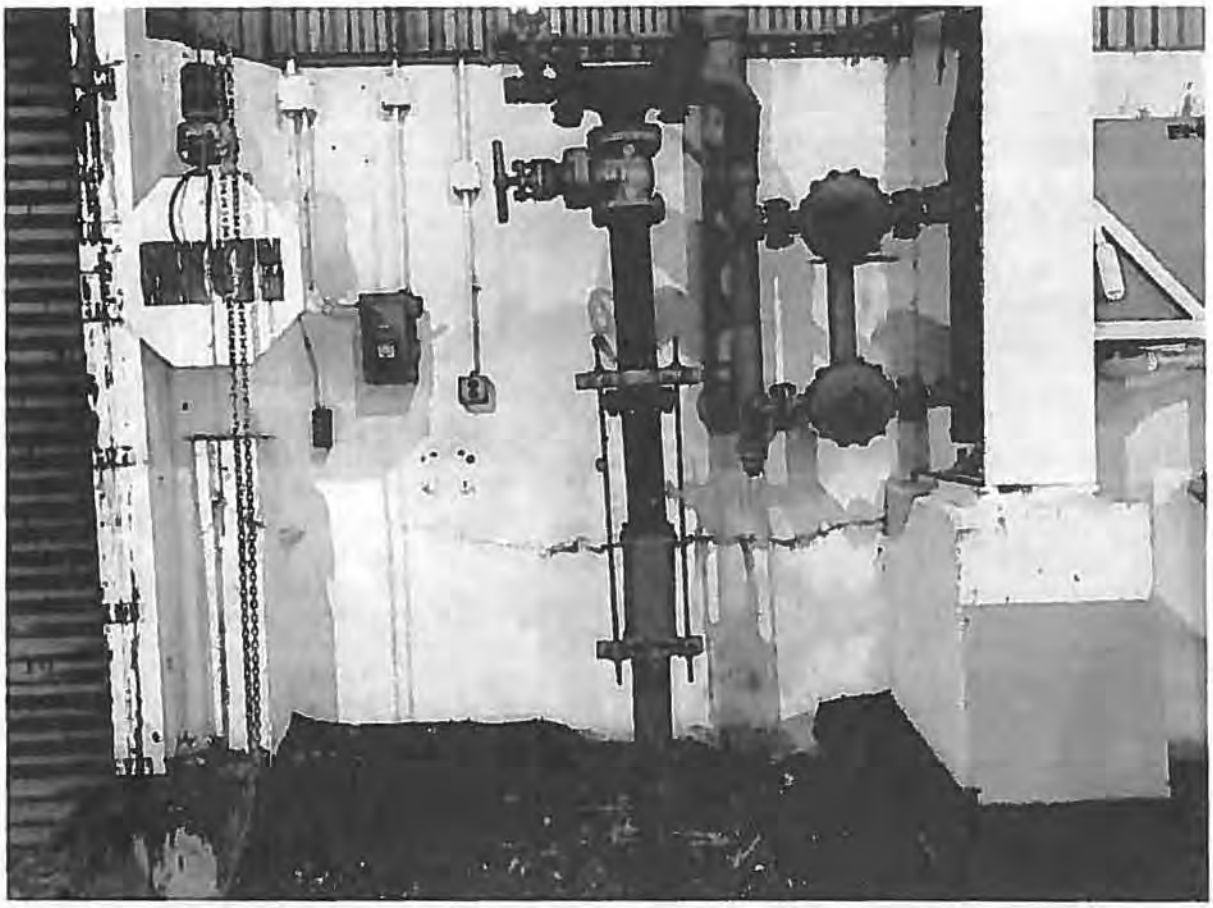
P80 M&R Building urinal leak behind wall (Image #22)



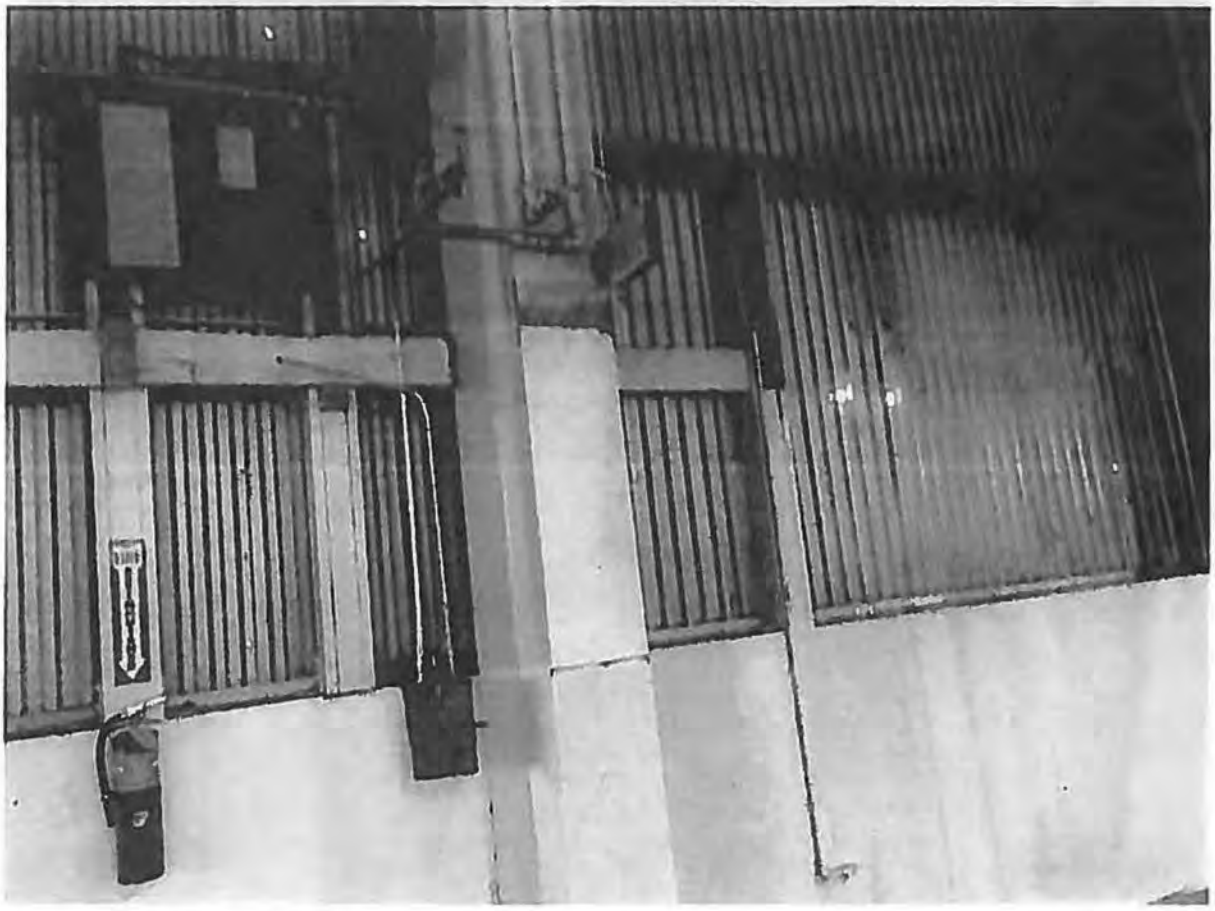
P80 East of Marin Street Gate, private fire hydrant on the master water meter account (Image #23)



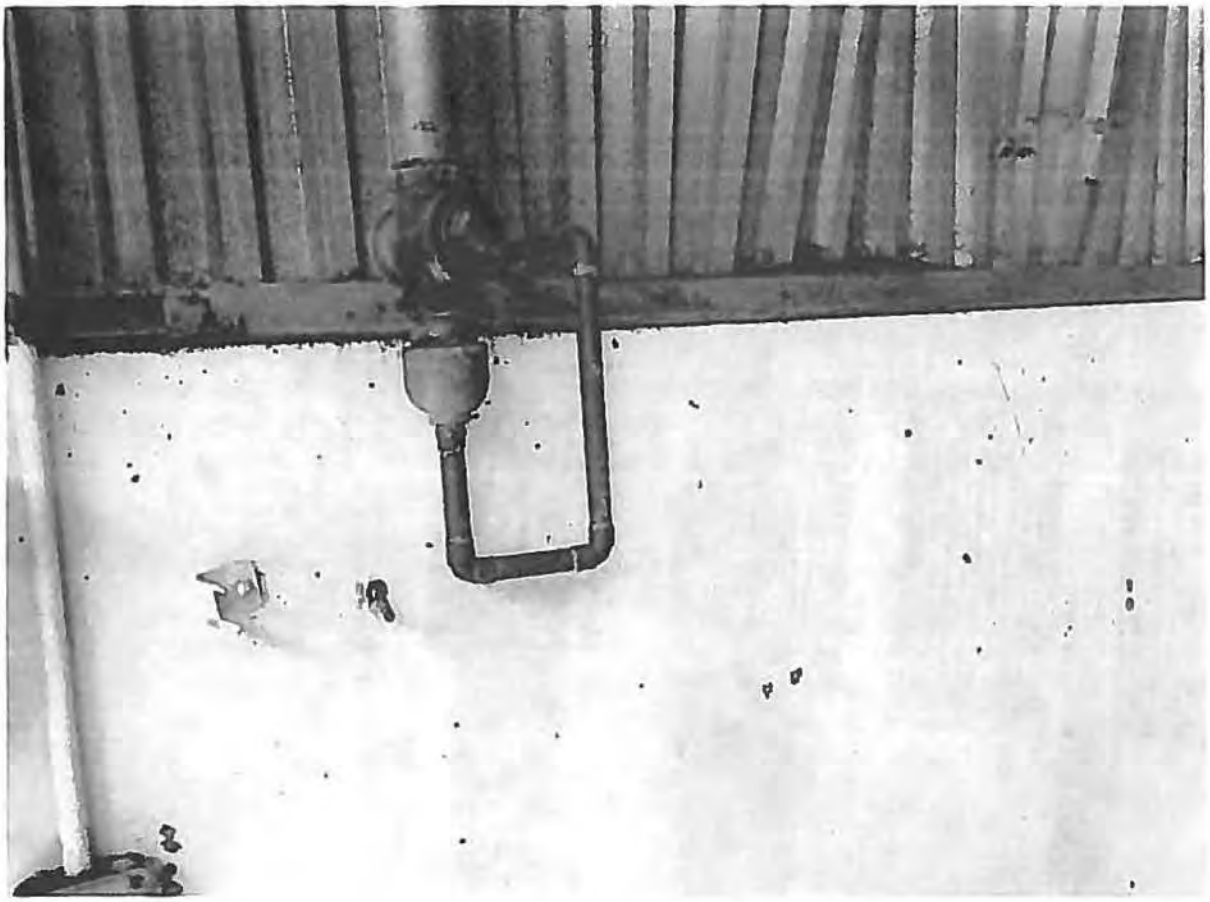
P80 A shed 2 story offices building vandalized water heater (Image #24)



P80 a Shed SFWD manifold Deduct water meters, note that the piping is under stress from ground settlement. (Image #25)



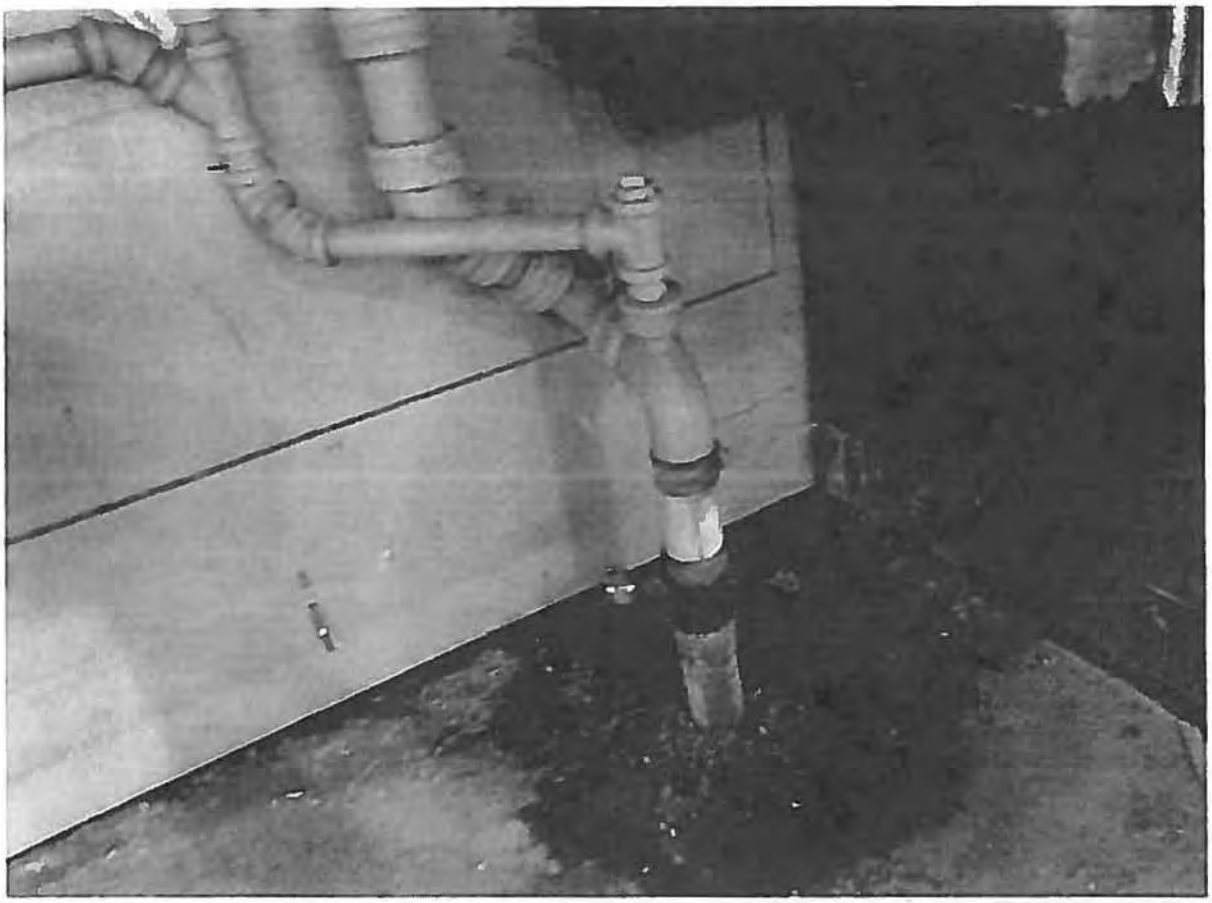
P80 a Shed South Wall, water and gas utilities capped off from America's Cup and restroom was removed (one of two restrooms removed) (Image #26)



P80 A Shed hose bib to outside south wall missing backflow protection, installed by America's Cup. (Image #27)



P80 A shed outside hose bib without backflow protect (Image #28)



P80 A Shed 2 story building leaking sewer and missing laundry tray drain. (Image #29)



P80 A Shed disconnected rain water liter (Image #30)



P80 A Shed capped off gas piping, PG&E gas meter exists, just left of image. Replacement line needs flex connector due to ground settlement. (Image #31)

Port of San Francisco Electrical Shop

Pier 80 Conditional Survey

Prepared by Michael Hastings

6-2016

Exterior light poles

Pole A- 15 fixtures, 3 don't work

Pole B- 11 fixtures, 4 don't work

Pole C- 11 fixtures, 9 don't work

Pole D- 16 fixtures, all work

Pole E- 13 fixtures, 4 don't work

Pole F- 16 fixtures, all work

Pole G- 15 fixtures, 5 don't work

Pole H- 11 fixtures, 1 doesn't work

Pole I- 10 fixtures, 3 don't work

Pole CN- 10 fixtures, 4 don't work

Pole CS- 10 fixtures, 2 don't work

Pole S- 27 fixtures, 6 don't work

(3) unmarked poles East of A shed

West pole- 10 fixtures , 6 don't work

Mid pole- 10 fixtures, 4 don't work

East pole- 10 fixtures , 3 don't work

(2) unmarked poles at each end of D shed

Shed D west pole- 6 fixtures, 1 doesn't work

Shed D east pole- 10 fixtures, 3 don't work

Hexagon office bldg.

All receptacles work

95% lighting ok

Shed A

Main switch board:

Circuit 11 feeds panels L1 and L2. These panels are non-op because of said damage. Panel L2 fed power for doors, panel L1 fed lights water side, canopy side, east end wall and center line lights. (The associated Transformer and Panels have been repaired)

Circuit 15 locked off (don't know what this fed)

Circuit (no number) marked bathroom, locked off

Panel A lighting:

Circuit 22 (repaired)

About 10% high bay lights need either lamps or ballasts

Panel D:

Circuits 34, 36 (repaired)

About 10% high bay lights need lamps or ballasts

Exterior lights:

All flood lights on east side work

All lights on west side work

South side- needs lamps or ballasts

North side all lights work

Block house:

1st floor, all receptacles work, except 220V outlet for air conditioner burnt , lighting works but some re-lamping or ballasts required.

2nd floor- did not have access

Shed D

Main switch board:

Circuit 1-locked off (sewer pumps)

Circuit 2- (repaired)

Panel L-5: non-op (gutted): (This fed D- Shed office)

Panel B:

Circuit 1- (repaired)

Circuit 20- (repaired)

Circuit 22- (repaired) (most likely feeds the outside lights on north wall that are out)

Panel C:

Circuit 5- (repaired)

Unmarked main switch on south side locked out in 2004 that fed two panels on north side(unmarked) that have been gutted and appears to have fed receptacles for possibly forklift chargers or similar. (or this may have been Crane Shore Power – AKG)

Unmarked Sub-panel on west wall , fed from panel L-4, appears to be dead even though breaker that feeds it from panel L-4 is on. (all loads removed, panel is not needed)

(12) 120V receptacles work, the rest are dead and are marked with a tag - (repaired)

Exterior lighting D-shed :

West end 5 lights at roofline all work

South side , all but two are working

East end 6 lights all work

North side 8 lights are out, dead short in circuit- (repaired)

Interior lights D shed:

Approx.. 90% work, could be re-lamping or ballasts

We did not check refrigeration outlets in middle of pier.

Port of San Francisco Sheet Metal Shop

Pier 80 Conditional Survey

Prepared by Ozzie Caamano

6-2016

There are no sign of damages incurred by the departing tenant, Metro. The roofs and walls show the normal wear and tear due to weather and time. There are some damages that should be corrected in order for the sheds to be weather tight.

A SHED

The gutters have nesting materials caused by the seagulls. It should be cleared out after the seagulls leave or the gutters will fill with rainwater and overflow into the shed.

Over time the gutters have developed holes and the rain will enter the building. This repair work is the responsibility of the Iron Worker shop due to the thickness of the metal.

The two roof hatches and the flat roof around it need to be replaced. Holes are evident in the tops and around the base.

D SHED

Gutters need to be cleared out due to nesting materials and vegetation growing in it

There are two locations where there are holes in the gutter

There is a one hole in the roof that can be patched

In the center of the roof, under the ventilator roof, there are two loose expanded metal sections that need to be reattached to the vertical frame

The two hatch covers to the roof should be replaced due to its age and condition

Port of San Francisco IronWorker Shop

Pier 80 Conditional Survey

Prepared by Daniel Maguire

6-2016

All Door motors (except new Airplane hanger door) are beyond their functional life.

Shed A

4 large doors (one each side) are all operational.

Airplane hanger door on East Wall is operational.

80% of remaining doors are functional.

Iron Shop reports no significant changes from 6-2008 Survey (*below*):

Shed A (east end)

A. Main east door – out of guide – needs repair

B. Door #40 – out of guide – needs repair

C. Door 38 – operable

D. Door 36 – operable

E. Door 34 – wind damage – out of guide needs repair

F. Door 32 – inoperable – power locked out, door in guide limit switch cover open

G. Door 30 – operable

H. Door 28 – east ramp door operable

I. Door 26 - operable

J. Door 24 – operable

K. Door 22 – operable

L. Door 20 – stevedore damage – power locked out since 2004 - electrical Issue – gear issue

M. Door 18 – operable

N. Door 16 - wind damage

O. Door 14 – stevedore damage – inoperable

P. Door 12 – operable

Q. Door 10 – locked out – do not operate

R. Door 8 – stevedore damage - not operable

S. Door 6 – removed

T. Door 4 – operable

Shed A (west end)

Building settling – smaller door operable

Shed A (south side)

A. Door 1 – Inoperable (door in guides)

B. Door 3 – operable

C. Door 5 – operable

D. Door 7 – operable

E. Door 9 – no power, but door in good condition

F. Door 11 – operable

G. Door 13 – operable

H. Door 15 – operable

I. Door 17 – operable

J. Door 19 – needs repair (split 2' from bottom)

K. Door 21 – operable

L. Door 23 – wind damage

M. Door 25 – stevedore damage – inoperable

N. Door 27 – stevedore damage – inoperable

O. Door 29 – operable

P. Door 31 – needs new motor (door in guides)

Q. Door 33 – operable

R. Door 35 – operable

S. Door 37 – operable

T. Door 39 – operable

17 doors require repair

Shed D

3 large doors are functional (north side has no power)

90% of doors are not functional (25% because of lack of power).

Iron Shop reports no significant changes from 6-2008 Survey (*below*):

Shed D

A. East end main door – operable, but needs repair

B. Door 122 – operable

C. Door 124 – out of guide

D. Door 126 – operable

E. Door 128 – inoperable

F. Door 130 - inoperable

G. Door 132 - operable

H. Door 134 - operable

I. Door 136 - inoperable

J. Door 138 - stevedore damage - inoperable

K. Door 140 - inoperable - locked off

L. Door 142 - inoperable - locked off

M. Door 144 - inoperable - locked off

N. Door 146 - inoperable - locked off

O. Door 148 - operable

P. Door 150 - inoperable - locked off

A. West end main door - operable

B. West end man door - operable but needs repair

C. Door 151 - inaccessible

D. Door 149 - inoperable - power locked out

E. Door 147 - inoperable - power locked out

F. Door 145 - inoperable - power locked out

G. Door 143 - inoperable - power locked out

H. Door 141 - inoperable - power locked out

I. Door 139 - operable

J. Door 137 - inoperable - power locked out

K. Door 135 - operable

L. Door 133 - inoperable - power locked out

M. Door 131 - inoperable - power locked out

N. Door 129 - inoperable - power locked out

O. Door 127 - inoperable - power locked out

P. Door 125 - inoperable - power locked out

Q. Door 123 - operable

24 doors require repair

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EXHIBIT D

EXHIBIT D

MONTHLY REPORT

		Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	TOTAL YTD
	# Vessel Calls													
	Port Gross Revenues Collected by Terminal Operator													
	Wharfage													0.00
	Dockage													0.00
	Crane Rental													0.00
	Demurrage													0.00
	Storage													
	Layberth Dockage													0.00
	Other													0.00
A	Sub total	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Port Gross Revenues Collected by Port													
	Cargo Facility Lease Rent													0.00
	Other													0.00
B	Sub-total	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
C	Port Gross Revenues (A + B)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Terminal Operator Revenue Sharing													
	(i) 50% of Port Gross Rev from $0 -$800,000	0.00												0.00
	(ii) 40% of Port Gross Rev from $800,001 up to $1,200,000													0.00
	(iii) 20% of Port Gross Rev in excess of $1,200,000													0.00
	Total Terminal Operator Revenue Sharing (i) + (ii) + (iii)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Monthly Operating Fees to Terminal Operator ($50,000)													0.00
D	Total due Terminal Operator (Revenue Sharing and Op Fees)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Less (amounts collected by Terminal Operator) (A)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
[1]	Terminal Operator Subtotal	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Port Revenue Sharing													
	(i)50% of Port Gross Rev from $0 -$800,000	0.00												
	(ii) 60% of Port Gross Rev from $800,001 up to $1,200,000													
	(iii) 80% of Port Gross Rev in excess of $1,200,000													
	Total Port Revenue Sharing (i) + (ii) + (iii)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Port Revenue Sharing	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Less (amounts collected by Port)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
E [2]	Port Subtotal	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Total Port Net Revenues (C - D)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
F [3]	Port's Contribution to Capital Improvements to the Terminal	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Check to the Port (E - F)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

[1] If "Terminal Operator Subtotal" line is zero or negative, then no payment will be issued by the Port to the Terminal Operator

[2] If "Port Subtotal" line is zero or negative, then no payment will be by the Terminal Operator to the Port

[3] If "Port's Contribution of Capital Improvement" is zero or negative, no rent credit will be issued to the Terminal Operator

n port as2016 96900478 01113698 dnc

EXHIBIT E
PORT-APPROVED OPERATIONS PLAN

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Operations Plan

Pasha Automotive Services
Pier 80 - San Francisco

July 1, 2016

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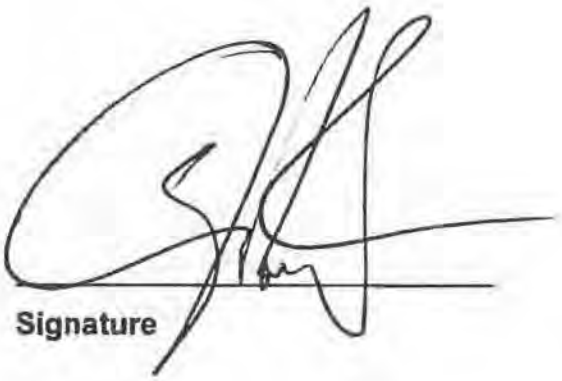
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Pasha Automotive Services

Operations Plan

I certify that Pasha Automotive Services has prepared this Operations Plan, dated May 22, 2016, and will comply with its terms and conditions. Any changes to the Operations Plan are subject to approval by the Port of San Francisco.



Signature

May 22, 2016

Date

Graham Fee

Printed Name

Director, Divisional Operations

Title

Pasha Automotive Services

Operations Plan

I certify that Pasha Automotive Services has prepared this Operations Plan, dated May 22, 2016, and will comply with its terms and conditions. Any changes to the Operations Plan are subject to approval by the Port of San Francisco.

_____ May 22, 2016

Signature **Date**

Graham Fee Director, Divisional Operations

Printed Name **Title**



1.0 INTRODUCTION

This Operations Plan addresses Environmental Requirements as referenced in the Management Agreement 16114 between Pasha Automotive Services ("PAS") and The City and County of San Francisco through the San Francisco Port Commission at Pier 80 ("Management Agreement"), and governs all operations and activities undertaken by PAS, and all of their Agents conducting activities at Pier 80. The Operations Plan identifies activities that will, subject to the Permitted Uses, be allowed by the Management Agreement. The Operations Plan sets forth a description of PAS' major operations. With each operation, protocols are discussed and then distilled into a series of Best Management Practices or BMPs.

Following this is a review of the major regulatory requirements that pertain to PAS' operations. Last is a series of appendices that includes a consolidation of operational BMPs, pertinent Port Rules and Regulations, and additional supporting documents. In the event of any conflict between the provisions of this Operations Plan and the Management Agreement, the terms and provisions of the Management Agreement shall prevail.

Definitions used in this Operations Plan are found in this Operations Plan or are set forth in Appendix N hereto. Except as set forth in the preceding sentence, capitalized terms are defined in the Management Agreement.

PAS acknowledges that this Operations Plan is a "living document" to be edited and updated as necessary over time, as Pier 80 Terminal work operations and facility improvements are changed. PAS shall submit Operations Plan revisions to the Port for approval when PAS wishes to conduct new activities / operations or modify existing activities / operations, or as requested by the Port. The Port will respond promptly to any request for a revised Operations Plan and, in case of disapproval, shall specify in detail the changes to the revised Operations Plan needed to gain Port's approval.

2.0 GENERAL OPERATIONS

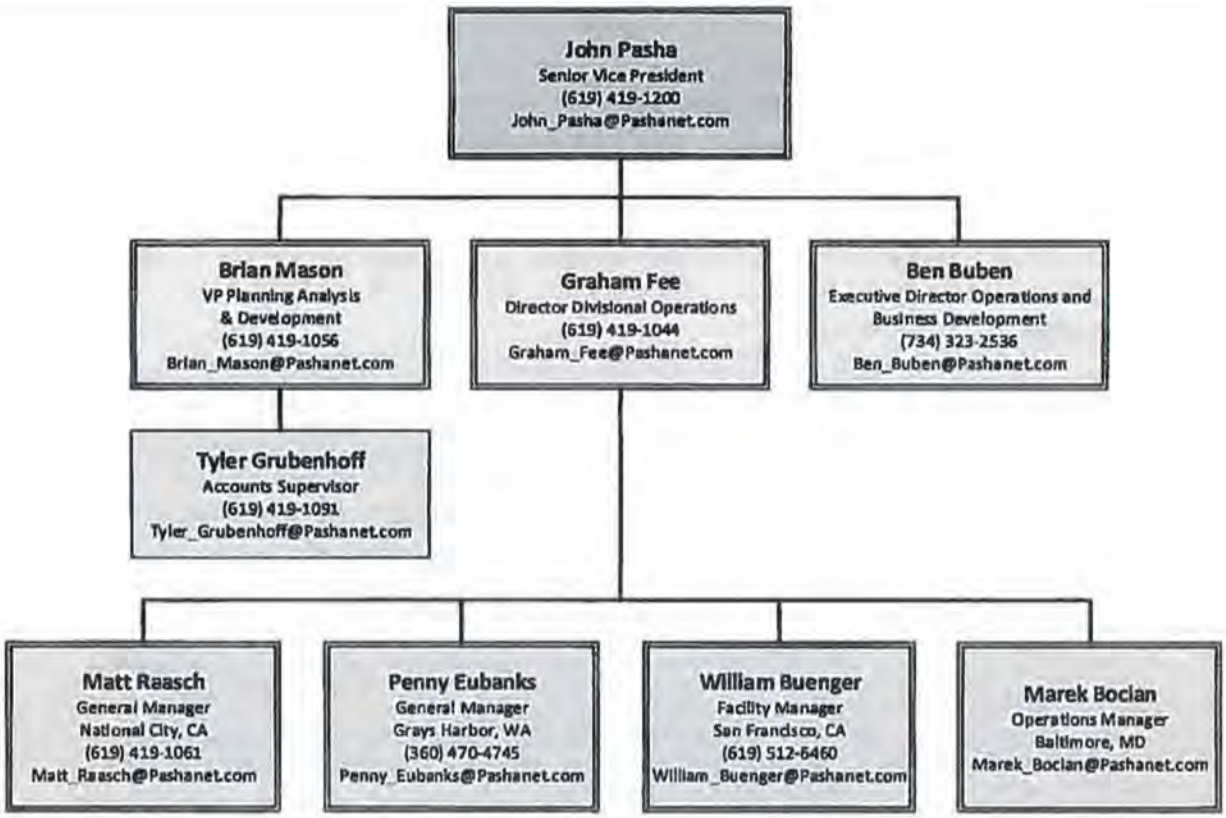
Pasha Automotive Services (PAS) contracts with its customers to provide end-to-end finished-vehicle logistics (FVL) which require a range of unique processes assigned by customers to make units ready for final distribution. These various tasks are covered in this operations plan, PAS SOP's, and PAS' ISO certified Quality Management System (QMS) (attached).

2.1 Key Staff

In the event of an emergency, the following key staff are responsible.

TABLE 1: Key Staff

NAME	TITLE	PHONE	EMAIL
John Pasha	Senior Vice President	619-206-0178	john_pasha@pashanet.com
Graham Fee	Director of Operations	619-259-3006	graham_fee@pashanet.com
Steve Knox	Project Manager	619-857-2634	steve_knox@pashanet.com
Brian Mason	VP Planning	619-512-6295	brian_mason@pashanet.com
William Buenger	Facility Manager	619-512-6460	william_buenger@pashanet.com
Jonathan Jankowski	Industrial Engineer	716-604-6576	jonathan_jankowski@pashanet.com
David Nagy	Security Safety and Training	619-607-2211	david_nagy@pashanet.com
Tyler Grubenhoff	Accounts Supervisor	619-419-1091	Tyler_grubenhoff@pashanet.com



2.2 Key Locations and Activities

A wide variety of activities will occur throughout the Pier 80 Terminal. These will vary by location and time. The following table lists several locations and the activities that are planned or that are being considered at these locations.

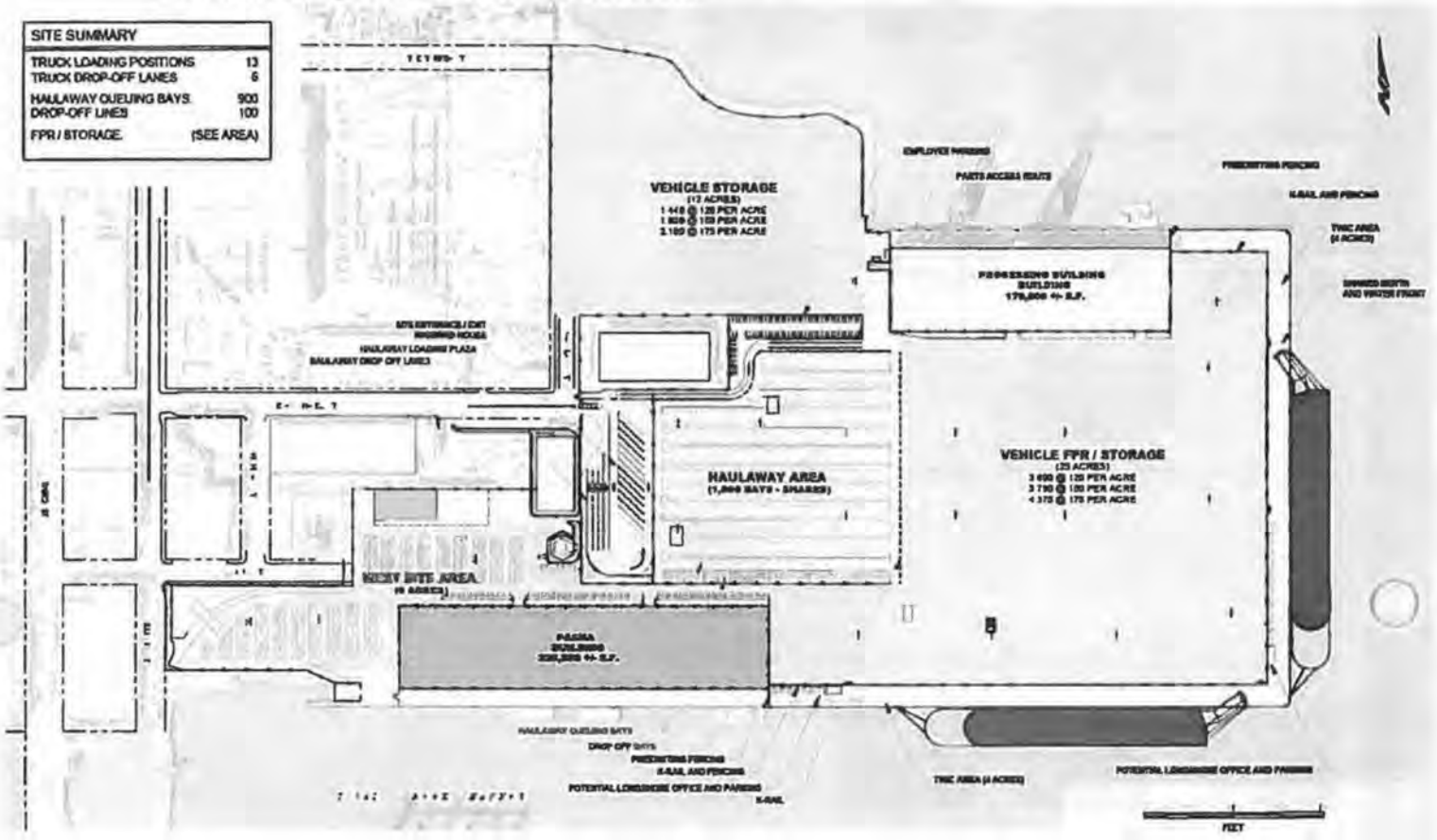
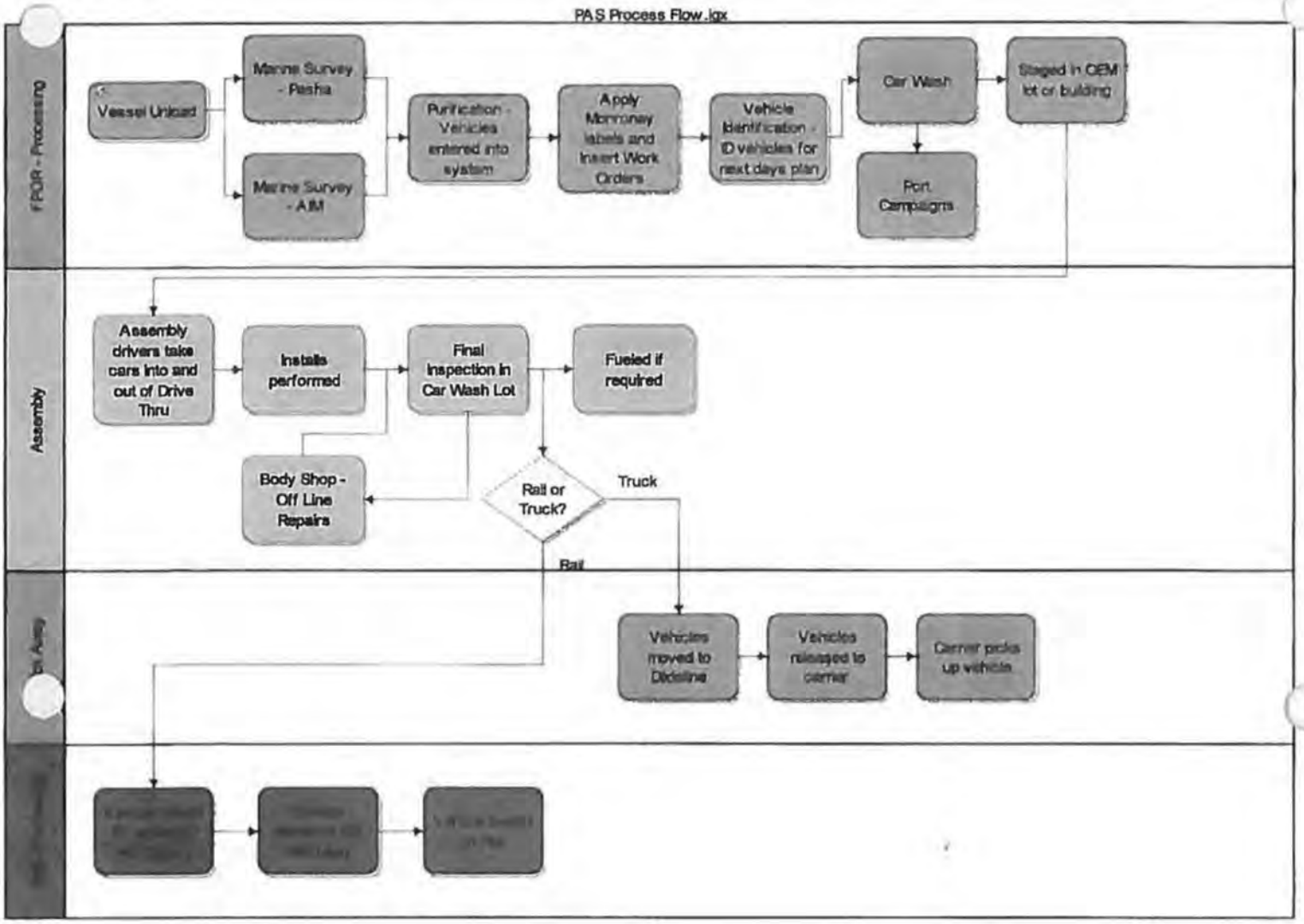


TABLE 2: Locations and Activities

LOCATION	ACTIVITIES
Pier 80	Full service vehicle processing for finished and pre-owned vehicles. Total logistics management from origin to destination is achieved through The Pasha Group of companies.
Shed A	Full service vehicle processing such as but not limited to literature throws, accessory installation, label installation, retro fits as well as vehicle restoration work.
Shed D	Full service vehicle processing such as but not limited to literature throws, accessory installation, label installation, retro fits as well as vehicle restoration work.
Yard	Yard activities consist of but are not limited to, product surveys, vehicle identification, applying labels, fueling, carwash as well as basic storage and releases to ongoing inland transportation providers.
Etc.	1. Processing will be performed inside sheds 2. Fueling will be conducted in the NE corner of main yard. With an above ground double walled fuel tank with vapory recovery systems and monitoring device that at a minimum meet Federal, State and Local regulation. 3. Carwash will be conducted in the NE corner of main yard. With a 60' conveyor tunnel carwash equipped with a green package system, purclean reclaim system and a reverse osmosis system.



The activities described above are illustrative and not exclusive to PAS and are subject to change as provided in the Management Agreement.

2.3 Use of Port Facilities – Protecting The Bay

Most Port piers and the structures on them drain to the San Francisco Bay. Therefore, materials that are released on pier aprons and inside pier sheds could ultimately be released into the Bay. Materials can also be conveyed to the Bay by stormwater or wind. Even materials that are spilled in the dry summer months can be washed into the Bay with the winter rains.

TABLE 3a: Pollutants and Activities of Concern

POLLUTANTS	ACTIVITIES OF CONCERN
Trash / Debris	Waste Management
Vehicle Fluids	Parking, Deliveries/Provisioning,
Equipment Fluids	Operation of plant equipment
Hazardous Materials	Maintenance and Repair

TABLE 3b: Port Facilities and Environmental Risks

PORT FACILITY TYPE	ENVIRONMENTAL RISKS
Pier Aprons, Decks, Yards	• Discharge via sheet flow or storm drains to SF Bay • Wind carries debris into SF Bay
Pier Sheds	• Indoor area drains lead directly to SF Bay

The two most important Best Management Practices (BMPs) when using Port facilities are:

1) Be aware of the potential to pollute the Bay.
2) Train staff to protect the Bay.

The following General Best Management Practices (BMPs) shall be used at all times.

BMPs– General Use of Port Facilities

- **BE AWARE:** Be aware of the potential to pollute the Bay.
- **TRAIN STAFF:** Train staff to be partners in protecting the Bay.
- **DEBRIS MANAGEMENT:** Place trash and debris in the proper containers.
- **END OF DAY CLEAN-UP:** At the end of the day or when activities are over, conduct a general clean-up to remove debris, trash, and inspect for spills.
- **SWEEP:** Use dry cleaning methods rather than pressure washing surfaces.
- **CLEAN SPILLS IMMEDIATELY:** Keep equipment clean. Avoid excessive build-up of oil and grease.

2.4 Zero Waste

PAS will comply with the City and County of San Francisco mandatory compost and recycling ordinance. PAS will also comply with the Port of San Francisco's Zero Waste Policy.

ZERO WASTE POLICY

All Terminal activities on Port property shall be subject to the Port of San Francisco's Zero Waste Policy. This policy is intended to

1) Ensure that food waste from large outdoor terminals can be easily composted, and
2) Protect marine life in the Bay from plastics and litter.

Key features of the policy are:

- **PLASTIC WATER BOTTLES:** The sale, use and distribution of single-use plastic water bottles are prohibited. PAS will provide water filling stations.
- **PLASTIC BAGS:** The sale, use and distribution of single-use disposable plastic bags are prohibited.
- **PLASTIC FOOD WARE:** The sale, use and distrjbution of single-use non-compostable plastic food ware are prohibited.
- **BALLOONS:** The intentional release of balloons on Port property is prohibited.

The Zero Waste Policy is attached as ***Appendix A***.

3.0 DESCRIPTION OF OPERATIONS

GENERAL

This section describes PAS' operations and activities that are authorized at specific locations. These operations and activities shall be conducted in accordance with this Operations Plan. Operations that that are not approved at a specific location shall be prohibited, without amending this plan.

If PAS would like to conduct new activities and operations, it shall submit a revised Operations Plan to the Port for approval. A revised Operations Plan shall specify at a minimum:

- proposed new activities,
- additional terminals for activities approved elsewhere,
- new permit requirements (new permits and modifications to existing permits);
- BMPs that will be employed.
- Other information reasonably required by Port.

The Port will respond promptly to any revised Operations Plan and, in case of disapproval, shall specify in detail the changes to the revised Operations Plan needed to gain Port's approval.

3.1 Vehicle Operations

Vehicle Operations, which will include processing and maintenance activities, will be located at Pier 80. This section describes the activities and Best Management Practices (BMPs) required to ensure that the operations are clean and comply with the standards of the Clean Water Act and the Port of San Francisco.

Common **vehicle operations activities** that will be used for vehicle processing and maintenance will include:

- Vehicle assessor installation – Indoor Activity / Sheds
- Vehicle wrapping activities - Indoor Activity / Sheds
- Exterior washing - Outdoor Activity / NE corner of main yard
- Fluid changes - Indoor Activity / Sheds
- Fueling - Outdoor Activity / NE corner of main yard
- Brake repair and replacement - Indoor Activity / Sheds
- Transmission repair and replacement - Indoor Activity / Sheds
- Exhaust testing - Indoor Activity / Sheds
- Body repair and paint - Indoor Activity / Sheds
- Vehicle staging - Outdoor Activity
- Vehicle loading - Outdoor Activity

If PAS would like to conduct additional activities, PAS shall submit a revised Operations Plan to the Port for approval.

FUELING

Fueling of vessels, vehicles or equipment shall be permitted in compliance with Port requirements and BMPs, and all other regulatory requirements. Pasha Automotive Services manages fueling operations with a Spill Prevention, Control, & Countermeasure (SPCC) Plan (*example attached – specific Pier 80 plan will be adopted once fueling requirements and service providers are confirmed).*

1. Fueling materials include propane, gasoline and diesel.
2. In-water fueling shall only occur at existing licensed public fuel docks or via licensed mobile barges.
3. Liquid fueling of land-based vehicles not legal for road use such as forklifts, scissor lifts and cranes will occur at Pier 80.
4. Propane fueling (consisting of exchanging empty tanks for full ones which are filled offsite) of forklifts and other equipment may be conducted where use of the equipment is approved and listed in Section 2.2 or the Management Agreement.

If PAS would like to conduct additional fueling operations within the Terminal at locations not listed in 2.2, it shall submit a revised Operations Plan to the Port for approval.

All operational fueling activities shall be incorporated into the Industrial Stormwater Pollution Plan. Fueling is a special case of handling Hazardous Materials, and fueling of forklifts, carts, and other equipment that use propane shall be done in accordance with BMPs and regulatory requirements for the handling of compressed flammable gases. Propane tanks that are being stored shall be secured against earthquakes. Empty tanks shall be clearly identified.

BMPs – Miscellaneous Fueling

- **CLEAN AREA:** Maintain clean fuel-dispensing area using dry cleanup methods such as sweeping for removal of litter and debris, or use of rags and absorbents for leaks and spills.
- **DRIP PANS:** Place drip pans or other containment beneath each connection point to capture all spills and drips.
- **COVER DRAINS:** Cover storm drains in the vicinity during transfer.
- **OBSERVE:** Designate one person to watch the connection point to the fueling truck and another to watch the vehicle.
- **SPILL KIT:** Maintain ample spill clean-up equipment adjacent to the fueling area.
- **EMERGENCY INFORMATION:** Maintain emergency response and contact information.

- **TRAINING:** Train staff annually on response to a fueling emergency.

Wet Fueling of Large Vehicles

Regular fueling of larger off-road vehicles and equipment will be fueled using a method known as "wet fueling" which means that fuel will be dispensed directly from a fuel tanker truck. Vehicles will be fueled in a designated area provided in Table 2 and shown on the Site Plan. The designated fueling area will be delineated using temporary berms in such a way to exclude any storm drains. The storm drains immediately outside the bermed area shall be covered. PAS shall not perform any wet fueling activities at Pier 80 until and unless a berm has been constructed around the fuel dispensing area as a mitigating structural best management practice. The berm shall be sufficiently sized to contain the maximum volume of the fuel tanker truck plus rain event capacity. The berm design shall be approved by a licensed engineer or registered design professional.

The fuel company will deliver a maximum of 5,000 gallons diesel with each delivery. The frequency will be weekly. Before each fueling terminal, the Operations Manager will ensure that the temporary berm is set and the storm drains are covered. Before fueling begins, a drip pan will be placed beneath the connection point of each vehicle as it is fueled within the containment area. The fuel-delivery operator shall conduct a pre-fueling inspection. Once fueling of vehicle has been completed, the fueling operator will move to the next vehicle within fueling area, place spill pan again beneath connection point and begin fueling. Once fueling is completed, the fueling coordinator will survey the containment area for spills and leaks to be immediately cleaned up. Spill material and equipment listing is attached.

BASIC FUELING INFORMATION

Fuel Provider	Dion and Sons, Inc.
EMERGENCY PHONE	619-512-6460 Pasha Facility Manager
Phone	562-708-1807 "Kevin" Dion and Sons 619-419-1038 Pasha Facility Manager
Email	kmattchen@amberresources.com for DS William_buenger@pashanet.com for PAS
Address	7111 Mission Gorge Road, San Diego, CA 92120

FUELING TERMINAL

Location	**Pier 80**
Maximum Amount of Fuel On Site	5,000 gallons
# Vehicles Fueled per Terminal	**100 Forklifts, Vans, Trucks, Automobiles**
Hours of Fueling	06:00-12:00am
Fueling Frequency	every day

FUELING COORDINATORS – PAS Staff

FUELING COORDINATOR	TITLE	PHONE
Teamsters	Production workers	TBD
William Buenger	Facility Manager	619-512-6460

BMPs– Fueling

- **DESIGNATED BERMED AREA:** Use a designated, bermed area.
- **CLEAN AREA:** Maintain clean fuel-dispensing area using dry cleanup methods such as sweeping for removal of litter and debris, or use of rags and absorbents for leaks and spills.
- **DRIP PANS:** Place drip pans or other containment beneath each connection point to capture all spills and drips.
- **COVER DRAINS:** Cover storm drains in the vicinity during transfer.
- **OBSERVE:** Designate one person to watch the connection point to the fueling truck and another to watch the vehicle.
- **SPILL KIT:** Maintain ample spill clean-up equipment adjacent to the fueling area.
- **EMERGENCY INFORMATION:** Maintain emergency response and contact information.
- **TRAINING:** Train staff annually on response to a fueling emergency.

TOOLS / EQUIPMENT: STORAGE AND USE

A variety of tools and equipment will be used, from small hand tools to large cranes. Most tools and equipment accumulate grease and other pollutants and require regular cleaning. Additionally, many types of equipment use fuels, oils, and hydraulic fluids. These require regular inspections and maintenance to stop leaks and prevent spills.

SECONDARY CONTAINMENT

Tools and equipment are commonly stored in containers that can be secured. However, these containers are not necessarily designed to contain liquids and do not provide adequate containment for leaks and spills. Absorbent pads, when placed under equipment reservoirs and hose connections, help to identify and contain leaks. For large equipment, drip pans are an effective and inexpensive alternative.

MAINTENANCE AREAS

Maintenance of equipment shall be conducted in specific areas that have signs that designate them as maintenance areas as shown on Table 2. All maintenance areas shall have an appropriate spill kit available.

The following Best Management Practices (BMPs) shall be used for the storage and use of tools and equipment.

BMPs– Storage and Use of Tools and Equipment

- **KEEP CLEAN:** Keep tools clean and free of excessive grease and grime.
- **TOOL CONTAINER:** Properly store when not in use. Do not leave tools lying around. Store under cover.
- **CATCH DRIPS:** Place absorbent pads or drip pans under equipment that contains fluids.
- **INSPECT EQUIPMENT:** Inspect equipment weekly for leaks and needed repairs.
- **CLEAN SPILLS IMMEDIATELY:** Clean spill immediately and completely. If absorbent materials are used, they must be removed and disposed promptly.
- **SPILL KIT:** Keep a properly sized spill kit in all areas with the potential for leaks.

MATERIALS MANAGEMENT

Hazardous Materials as well as non-Hazardous Materials will be stored in multiple locations throughout the Terminal as described in Table 2. These materials must be stored under cover and are ideally stored indoors. All materials must be stored in accordance with regulatory requirements and permit conditions. At the team base operations these materials will be stored in containers that can be secured. However, these containers are not necessarily designed to contain liquids and do not provide adequate containment for leaks and spills.

DESIGNATED AREAS

All materials should be stored in specific areas with signs that designate them as materials storage. Incompatible materials such as corrosives and flammables should be segregated. Empty containers should be identified and stored separately.

Recyclable materials, compostable materials, and landfill waste shall be separated and stored in designated areas. Each area shall have clear signage.

SECONDARY CONTAINMENT

All Hazardous Materials must be stored with proper secondary containment. Absorbent pads are an inexpensive and effective management tool. When placed under equipment reservoirs and hose connections, absorbent pads help to identify and contain leaks. For large equipment, drip pans are an effective and inexpensive alternative. All drums shall be stored on secondary containment pallets. Drums that are used for dispensing shall use secondary containment that includes a drip reservoir under the dispenser.

SPILLS

Spills and drips around Hazardous Materials storage areas shall be cleaned up immediately. Appropriate spill kits shall be kept at all areas where Hazardous Materials are stored. When absorbent material is used, it shall be promptly removed and properly disposed.

LABELS

All materials storage containers shall be properly labeled. All containers shall be stored so that the labels are visible. Any hazardous waste that is generated shall be immediately and properly labeled. Empty containers should be so designated.

SPILL KITS

The purpose of the spill kit is to be prepared to clean up liquid releases of Hazardous Materials such as hydraulic oil and motor oil from parked trucks and vehicles or paints, solvents, or fuels. Burst hydraulic lines are a common source of pollution from heavy vehicles.

Spill Kit Contents

- Absorbent spill pads and socks.
- Absorbent material (e.g. solvent absorbent, vermiculite, etc.)

- Hydrophobic mop (i.e. a mop that absorbs oil, but not water)
- Safety gloves (that are appropriate for oils, and other petroleum)
- 5 – 20 gallon bucket/drum with lid
- Hazardous Waste Labels

The following Best Management Practices (BMPs) shall be used for the storage and use of materials.

BMPs– Materials Management

- **MATERIALS STORAGE AREAS:** Designate areas for storage of specific materials;
- **SECONDARY CONTAINMENT:** Store all materials with secondary containment;
- **DISPENSER CONTAINMENT:** Use secondary containment with drip reservoirs for dispensers;
- **CATCH DRIPS:** Place absorbent pads or drip pans under equipment that contains fluids;
- **CLEAN SPILLS IMMEDIATELY:** Clean spill immediately and completely. If absorbent materials are used, they should be removed and disposed promptly;
- **SPILL KIT:** Keep a properly sized spill kit in all areas with the potential for leaks;
- **LABELS:** Properly label all materials;
- **WASTE AREAS:** Designate areas to manage recyclable, compostable and landfill waste.

EMERGENCY PLANNING

PAS must report spills to both the U.S. Coast Guard National Response Center 800.424.8802 (if in the water) and Office of Emergency Services in your jurisdiction immediately.

TABLE 4: Emergency Oil Spill Notifications

AGENCY	PHONE
National Response Center	(800) 424-8802
California Emergency Management Agency	(800) 852-7550
U.S. Coast Guard, Marine Safety Office	(510) 437-3073
Port of San Francisco	(415) 274-0400

3.2 Parking

Vehicle parking areas are a source of common pollutants such as fuel, grease, motor oils, antifreeze, sediments, metals, trash and debris. There are several Best Management Practices (BMPs) that help prevent this pollution. PAS shall follow these protocols at all terminals listed on Table 2 with vehicle parking. 7

HOUSEKEEPING
The parking areas shall be kept clean and orderly. Debris shall be removed at the end of each day. Staff shall inspect parking lots on a daily basis for debris and leaking vehicles.

SPILL CLEAN UP
When leaks are discovered from vehicles, staff shall clean them immediately using a proper spill kit. If absorbent materials are used, they must be removed and disposed promptly.

PREVENT DISCHARGES TO STORM DRAINS
The use of water to wash surfaces shall be minimized. Sweeping surfaces is a preferred method of cleaning. If water is used to wash parking areas, staff shall use screens or filter fabrics to cover storm drains to prevent trash and debris from entering storm drains.

3.3 Office Use

Several Port facilities will be used as offices or related uses by PAS. Use of these facilities for these purposes shall be subject to the Port's *Rules and Regulations for Office Buildings* (see Appendix F).

3.4 City and County of San Francisco

Several City and County of San Francisco agencies exercise jurisdiction over the activities of PAS' on Port property. These include:

- Department of Public Health – Hazardous Material Unified Public Agency
- Department of Public Health – Food Service Establishments
- Public Utilities Commission – Construction Site Runoff Ordinance
- Public Utilities Commission – Stormwater Management Ordinance and Stormwater Management Requirements and Design Guidelines
- Fire Department – Flammable Materials, Hot Works, etc.

PAS shall be responsible for complying with the requirements of these and other local agency requirements at locations listed in 2.2.

SAN FRANCISCO FIRE DEPARTMENT
PAS will obtain all necessary permits from the San Francisco Fire Department. The SF Fire Department issues several types of permits that might pertain to the PAS' activities. Commonly issued permits pertain to the storage and use of flammable materials, hazardous chemicals, and compressed gases; burning removal of paint, spray painting hot works and welding, battery

systems, and places of assembly for occupancy. A complete list of SF Fire Department permits is provided in Appendix M.

HAZARDOUS MATERIALS UNIFIED PROGRAM AGENCY – (HMUPA)
PAS will obtain a permit from the San Francisco Department of Public Health Hazardous Materials Unified Program Agency (HMUPA). The HMUPA permit includes six program elements that involve the storage and use of Hazardous Materials, including the generation of hazardous waste.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)
On February 2001, the San Francisco Planning Department certified a Supplemental Environmental Impact Report (SEIR) for the Port of San Francisco Southern Waterfront pursuant to the California Environmental Quality Act. The SEIR supplements the Waterfront Land Use Plan Final Environmental Impact Report certified in 1997. PAS' operations at the Pier 80 Terminal shall comply with all the conditions of the SEIR and EIR.

TARIFF
The Port of San Francisco Tariff No. 5 establishes the rules, regulations, rates, and other provisions applying to the services and for the use of the Pier 80 facilities under the jurisdiction of the San Francisco Port Commission. PAS must comply with those provisions of the Tariff described in Appendix E.

3.5 State of California

CALIFORNIA OCCUPATIONAL SAFETY AND HEALTH (Cal-OSHA)
California Division of Occupational Safety and Health (Cal-OSHA) is the regulator agency for pressure vessel permitting as well as employee health and safety standards.

DEPARTMENT OF TOXIC SUBSTANCES CONTROL (DTSC)
Department of Toxic Substances Control is the regulatory agency for hazardous wastes recycling and disposal.

CALIFORNIA HIGHWAY PATROL (CHP)
As part of the Federal Department of Transportation permit requirements, California Highway Patrol (CHP) routinely inspects commercial vehicles.

DEPARTMENT OF RESOURCES, RECYCLING, AND RECOVERY (DRRR)
DRRR oversees the states waste management and recycling programs.

STATE WATER BOARDS
The State Water Resources Control Board (SWRCB) and the Regional Water Quality Control Board are charged with protection of the water quality of the state waters. As required by these agencies, PAS shall file a Notice of Intent for coverage under the *National Pollutant Discharge Elimination System – General Permit for Discharges of Storm Water Associated with*

Industrial Activities (Industrial General Permit) for its operations at Pier 80. The Industrial General Permit is required of all activities that include, material handling equipment, or activities, raw materials, immediate products, final products, waste materials, by-products, or industrial machinery that are exposed to storm water. Material handling activities include the storage, loading and unloading, transportation, or conveyance of any raw material, intermediate produce, finished product, by-product, or waste product. The PAS Discharger Identification Number will be incorporated into this Operations Plan when issued.

Any construction activities disturbing one or more acres of soil or any project that is part of a larger development that disturbs one or more acres within a municipal separate storm sewer system (MS4) must obtain coverage under the SWRCB *General Permit for Discharges Associated with Construction Activity* (Construction General Permit).

New and redevelopment projects that create and/or replace: (1) greater than or equal to 5,000 square feet of impervious surface in separate and combined sewer area; or (2) greater than or equal to 2,500 square feet of impervious surface in separate sewer areas must comply with the San Francisco 2016 Stormwater Management Requirements and Design Guidelines.

3.6 Federal

FEDERAL DEPARTMENT OF TRANSPORTATION (DOT)
The Federal DOT authority includes regulating the transportation of Hazardous Materials.

Appendix A – Zero Waste Terminal Rules and Regulations

ZERO WASTE POLICY

These Rules and Regulations incorporate the requirements of the Port's Zero Waste Policy that was adopted by the San Francisco Port Commission on February 14, 2012.
The Port Commission adopted this policy to:

1. Ensure that food waste streams from large outdoor activities can be easily composted, and
2. Marine life in the Bay is protected from plastics and litter through elimination or reduction of plastics at these terminals.

PLASTIC WATER BOTTLES

The event Organizer shall be prohibited from the sale, use and distribution of single-use plastic water bottles. The event Organizer must provide "water filling stations" supplied either by the San Francisco Public Utilities Commission or a vendor approved by the Port's Executive Director or her or his designee for use by individuals with reusable water bottles. This prohibition applies only to single-use plastic bottles that are used for non-carbonated or non-flavored water.

SINGLE-USE PLASTIC BAGS

The event Organizer shall be prohibited from the sale, use and distribution of single-use disposable plastic bags. The event Organizer must use alternatives to single-use plastic bags such as recyclable paper, compostable plastic (preferably marine degradable) and/or reusable bags as those terms are defined by the City's Plastic Bag Reduction Ordinance.

NON-COMPOSTABLE PLASTIC WARE

The event Organizer shall be prohibited from the sale, use and distribution of single-use non-compostable plastic food ware. The event Organizer may only sell, use and distribute food service ware that is either labeled "compostable" and meets American Society for Testing and Materials (ASTM) standards for compostability or that is durable, washable, and reusable.

All compostable plastic food service ware must meet ASTM D-6400 standards for compostable plastics, have BPI certification (www.BPIworld.org), and be clearly labeled with a color-coded (green) identifying marker, such as a green sticker, stripe or band on all pieces of the product (for example the cup and lid must both be labeled), or other certification standards (such as marine degradability) as may be recommended from time to time by the San Francisco Department of the Environment and approved by the Port Executive Director.

The Port reserves the right at any time and from time to time to revise this Policy or to make such other and further Rules and Regulations as the Port shall determine are in the best interest of the Port, the San Francisco Bay, and the community, or that comply with City law.

RELEASE OF BALLOONS
The event Organizer shall be prohibited from the intentional release of balloons on Port property in connection with an event.

PACKAGING
Event Organizers are encouraged to minimize packaging and avoid the use of disposable plastic packaging.

The Port reserves the right at any time and from time to time to revise this Policy or to make such other and further Rules and Regulations as the Port shall determine are in the best interest of the Port, the San Francisco Bay, and the community, or that comply with City law.

Appendix B – Summary of Best Management Practices

General Use of Port Facilities

- **BE AWARE:** Be aware of the potential to pollute the Bay.
- **TRAIN STAFF:** Train staff to be partners in protecting the Bay.
- **DEBRIS MANAGEMENT:** Place trash and debris in the proper containers.
- **END OF DAY CLEAN-UP:** At the end of the day or when activities are over, conduct a general clean-up to remove debris, trash, and inspect for spills.
- **SWEEP:** Use dry cleaning methods rather than pressure washing surfaces.
- **CLEAN SPILLS IMMEDIATELY:** Keep equipment clean. Avoid excessive build-up of oil and grease.

Storage and Use of Tools and Equipment

- **KEEP CLEAN:** Keep tools clean and free of excessive grease and grime.
- **TOOL CONTAINER:** Properly store when not in use. Do not leave tools lying around. Store under cover.
- **CATCH DRIPS:** Place absorbent pads or drip pans under equipment that contains fluids.
- **INSPECT EQUIPMENT:** Inspect equipment weekly for leaks and needed repairs.
- **CLEAN SPILLS IMMEDIATELY:** Clean spill immediately and completely. If absorbent materials are used, they should be removed and disposed promptly.
- **SPILL KIT:** Keep a properly sized spill kit in all areas with the potential for leaks.

Materials Management

- **MATERIALS STORAGE AREAS:** Designate areas for storage of specific materials;
- **SECONDARY CONTAINMENT:** Store all materials with secondary containment;
- **DISPENSER CONTAINMENT:** Use secondary containment with drip reservoirs for dispensers;
- **CATCH DRIPS:** Place absorbent pads or drip pans under equipment that contains fluids;
- **CLEAN SPILLS IMMEDIATELY:** Clean spill immediately and completely. If absorbent materials are used, they should be removed and disposed promptly;
- **SPILL KIT:** Keep a properly sized spill kit in all areas with the potential for leaks;
- **LABELS:** Properly label all materials;
- **WASTE AREAS:** Designate areas to manage recyclable, compostable and landfill waste.

Small Boat Repair and Maintenance

- **CONTAIN ALL MATERIALS;**
- **DESIGNATED AREAS:** Designate specific areas for specific activities;
- **TEMPORARY CONTROLS:** Use temporary controls to contain materials when working outside;
- **ADHERE TO PROHIBITIONS;**
- **GENERAL HOUSEKEEPING:** Maintain general housekeeping by all staff.

Spill Kit Contents

- Absorbent spill pads and socks.
- Absorbent material (e.g. solvent absorbent, vermiculite, etc.)
- Hydrophobic mop (i.e. a mop that absorbs oil, but not water)
- Safety gloves (that are appropriate for oils, and other petroleum)
- 5 – 20 gallon bucket/drum with lid
- Hazardous Waste Labels

Appendix C – Spill Response

In the terminal of a significant spill or release the following steps will be taken immediately.

- **SAFETY FIRST!** – Ensure the safety of personnel
- **STOP SPILL** – Stop spill at the source if safe to do so.

- **CONTAIN** – Initiate containment activities
- **REPORT** – Report the spill to emergency and regulatory agencies.
- **CLEAN UP** – Initiate cleanup activities.

NOTIFICATION: in case of an oil spill, the Emergency Coordinator will call:

Will Call:	SF Department of Public Health	415-252-3900
	California Office of Emergency Services	800-852-7550
	National Response Center	800-424-8802
Will Call:	SF Department of Public Works (When Hazardous Materials/waste spills/leaks into a sewer)	415-695-2020
	Port of San Francisco (Ask for environmental staff)	415-274-0400

Information to be reported includes:

1. **LOCATION** – Location of spill and company name.
2. **TIME** – Time of spill, or time first observed.
3. **SOURCE** – Note the source of spill, if known.
4. **MATERIAL** – Note type of material spilled.
5. **AMOUNT** – Estimate of amount spilled.
6. **WEATHER** – Describe the on-scene weather.
7. **HAZARDS** – Describe any known fire or health hazards posed by the spill.
8. **DESTINATION** – Where is the spill going and affected waters.
9. **ACTION** – Acton being taken to contain and clean up the spill.
10. **ADDITIONAL** – Any information requested by the agency, so long as the information is known to be factual. Do not guess regarding the cause of potential impacts of spill.

Appendix D – Select Maritime Rules & Regulations

These Maritime Rules and Regulations are adapted from the Port Tariff. For the full Tariff, go to the following internet link:

http://sfport.com/sites/default/files/FileCenter/Documents/11036-POSF%202016%20rates.pdf

FIRE, WELDING, AND OPEN FLAMES, RULES GOVERNING

...

(b) No bonfire nor open fire for the burning of rubbish or refuse materials, or for any other purpose, except as provided in this Item, will be allowed on any of the city property under the jurisdiction of the Commission.

(c) No welding or open fire will be allowed on any wharf without the approval of the Fire Marshal, Chief Wharfinger, or Wharfinger. No such work shall be commenced until an operational permit therefore is approved. When "hot work" is to be conducted, operations shall conform to the current requirements of Chapter 26 of the SF Municipal Fire Codes.

FIRE EXTINGUISHERS REQUIRED
All of the Port of San Francisco are required to furnish, maintain and service portable fire extinguishers in their leased or licensed areas in accordance with the S.F. Municipal Fire Code and U.S. Coast Guard regulations.

PETROLEUM PRODUCTS ON WHARVES-RULES GOVERNING
(a) The storage or keeping of gasoline, distillate, or other liquid petroleum products on wharves, except at such localities as may be specifically designated therefore, is strictly prohibited; and at such localities as may be designated therefor, the handling of gasoline, distillate, or other liquid petroleum products must conform to the applicable Municipal, State and Federal laws.

LAW ENFORCEMENT
As a condition to the use by any vessel of any property under the jurisdiction of the Commission, the Police must be permitted to board any vessel for police purposes. No person shall hinder or molest any one so authorized, or refuse to allow him to go aboard any vessel for the purpose specified in this rule.

Appendix E – Rules and Regulations for Office Buildings

These Rules and Regulations shall apply to PAS' use of all office buildings on Port property.

OBSTRUCTIONS
Sidewalks, entrances, passages, courts, elevators, vestibules, stairways, corridors or halls shall not be obstructed or encumbered by PAS or used for any purpose other than ingress and egress to and from the Premises and if the Premises are situated on the ground floor of the Building, PAS shall further, at PAS' own expense, keep the sidewalks and curb directly in front of the Premises clean and free from rubbish.

APPEARANCES
PAS shall not place anything against or near glass partitions, doors or windows which may appear unsightly from outside the Premises or the Property. No awning, showcase, articles or other unauthorized items shall be attached to the outside walls or windows of the Building

without the prior written consent of Port. No curtains, blinds, shades, drapes or screens shall be attached to or hung in, or used in connection with any window or door of the Premises, without the prior written consent of Port. Such awnings, unauthorized items, curtains, blinds, shades, drapes, screens and other fixtures must be of a quality, type, design, color, material and general appearance approved by Port, and shall be attached in the manner approved by Port. All lighting fixtures hung in offices or spaces along the perimeter of the Premises must be of a quality, type, design, bulb color, size and general appearance approved by Port.

SIGNS

No sign, advertisement, notice, lettering, decoration or other thing shall be exhibited, inscribed, painted or affixed by PAS on any part of the outside or inside of the Premises or of the Building, without the prior written consent of Port. In the terminal of the violation of the foregoing by PAS, Port may remove it without any liability, and may charge the expense incurred by such removal to PAS.

LIGHT

The sashes, sash doors, skylights, windows and doors that reflect or admit light or air into the halls, passageways or other public places in the Building shall not be covered or obstructed by PAS, nor shall any bottles, parcels or other articles be placed on the window sills or in the public portions of the Building.

FIXTURES

The water and wash closets and other plumbing fixtures shall not be used for any purposes other than those for which they were constructed, and no foreign substances shall be thrown therein. PAS shall shut off all water faucets or other water apparatus at the end of each day. PAS shall be responsible for any damage or injuries sustained by other tenants or occupants of the Property or by Port for noncompliance with this rule.

ATTACHMENTS

PAS shall not mark, paint, drill into or in any way deface any part of the Premises or the Building. No boring, cutting or stringing of wires shall be permitted, except with the prior written consent of Port, and as Port may direct. If PAS requires wiring, conduit or connections for telecommunications, computer, burglar alarm or similar services, it shall first obtain, and comply with, Port's instruction in their installation. PAS shall not go onto the roof or install any antenna or other devices on the roof or exterior walls of the Property without Port's written permission. PAS shall not interfere with media broadcast reception to or from the Property or elsewhere. PAS shall repair or be responsible for the cost to repair any damage resulting from noncompliance with this rule.

USE

PAS shall not use the Premises for any business or activity other than that specified in the Management Agreement. The Premises shall not be used for any activity disallowed by law or the Waterfront Land Use Plan.

SECURITY
PAS must, upon the termination of the tenancy, restore to Port all keys to stores, offices and toilet rooms, either furnished to, or otherwise procured by PAS, and in the terminal of the loss of any keys so furnished, PAS shall pay to Port the cost thereof.

SALES
Canvassing, soliciting, peddling and distribution of handbills in the Building is prohibited and PAS shall cooperate to prevent the same.

RIGHT OF ENTRY
Port reserves the right to exclude or expel from the Leased Area or Common Area any person who, in the judgment of Port, is intoxicated, under the influence of alcohol or drugs, or who shall in any manner do any act in violation of law or the rules and regulations of the Leased area. Port reserves the right to prevent access to the Property in case of invasion, mob, riot, public excitement or other commotion by closing the doors or by other appropriate action.

NOISE AND ODORS
PAS shall not make, or permit to be made, any unseemly or disturbing noises or odors or disturb or interfere with occupants of the Building, or neighboring buildings or premises, or those doing business with them.

ANIMALS
No live animal, fish or bird of any kind shall be brought into or kept in or about the Premises or the Building, except seeing-eye dogs or other trained assistance animals.

FOOD
PAS shall not prepare any food nor do any cooking, operate or conduct any restaurant, luncheonette or cafeteria for the sale or service of food or beverages to its employees or to others without acquiring all required permits to do so, Food and beverage preparation by PAS' employees using microwave ovens or coffee makers shall be permitted provided no odors of cooking or other processes emanate from the Premises. PAS shall not install or permit the installation or use of any vending machine or permit the delivery of any food or beverage to the Premises except by such persons and in such manner as are approved in advance in writing by Port.

PEST CONTROL
If the Premises becomes infested with vermin as a result of the use, misuse or neglect of the Premises by PAS, its agents, servants, employees, contractors, visitors or licensees, PAS shall forthwith, at PAS' expense, cause the same to be exterminated to the satisfaction of Port and shall employ such licensed exterminators as shall be approved in writing in advance by Port.

CLEANLINESS

PAS shall store all its trash and garbage within its Premises and shall place all toxic waste within appropriate containers designated by health laws and regulations. PAS shall not throw anything out of the doors, windows or skylights or down the passageways, or leave furnishings, supplies, equipment or debris in the common areas. PAS shall not place in any trash box or receptacle any materials that cannot be disposed of in the ordinary and customary manner of trash and garbage disposal. All garbage and refuse disposal shall be made in accordance with directions issued from time to time by Port.

HAZARDOUS MATERIALS

Neither PAS nor any of PAS' agents, servants, employees, contractors, visitors or licensees shall at any time bring or keep upon the Premises any flammable, combustible or explosive fluid, chemical or substance. PAS shall not bring any Hazardous Materials onto the Premises except for those, which are in general commercial use and are incidental to PAS' business office operations and only in quantities suitable for immediate use.

DELIVERIES

There shall not be used in any premises, or in the public halls, plaza areas, lobbies, or elsewhere in the Building, either by PAS or by jobbers or others, in the delivery or receipt of merchandise, any hand trucks or dollies, except those equipped with rubber tires and sideguards. All deliveries shall be made at such reasonable hours and under such reasonable regulations as may be fixed by Port.

EQUIPMENT

PAS shall not place a load upon any floor of the Premises which exceeds the load per square foot, which such floor was designed to carry and which is allowed by law. PAS shall not install any machine or equipment which causes noise, heat, cold or vibration to be transmitted to the structure of the building in which the Premises are located without Port's prior written consent, which consent may be conditioned on such terms as Port may require.

MOVING

No equipment, materials, furniture, packages, supplies, merchandise or other property which when loaded into an elevator reasonably eliminates the use thereof for any period of time may be received in the Property or carried in the elevators without prior written notice to Port, and all moving of the same into or out of the Property shall be done at such time and in such manner as Port shall designate.

SAFES

All removals, or the carrying in or out of any safes, freight, furniture, construction material, bulky matter or heavy equipment of any description must take place during the hours which Port or its agent may determine from time to time. Port reserves the right to prescribe the weight and position of all safes, which must be placed upon two-inch thick plank strips to distribute the weight. The moving of safes, freight, furniture, fixtures, bulky matter or heavy equipment of any kind must be made upon previous notice to the Building Manager and in a manner and at times prescribed by him, and the persons employed by PAS for such work are

subject to Port's prior approval. Port reserves the right to inspect all safes, freight or other bulky articles to be brought into the Building and to exclude from the Building all safes, freight or other bulky articles which violate any of these Rules and Regulations or the Management Agreement of which these Rules and Regulations are a part.

ENERGY

PAS shall not waste gas, electricity, water, heating or air-conditioning and agrees to cooperate fully with Port to assure the most efficient operation of the Property's heating and air-conditioning and to comply with any governmental energy-saving rules, laws or regulations of which PAS has actual notice. PAS shall keep corridor doors closed and, prior to leaving the Premises for the day, PAS shall draw or lower window coverings and turn off all lights and water fixtures. PAS shall keep its window coverings closed during any period of the day when the sun is shining directly on the windows of the Premises.

FIRE SAFETY

PAS shall install and maintain, at PAS' sole cost and expense, an adequate, visibly marked, and at all times properly operational fire extinguisher next to any duplicating or photocopying machine or similar heat producing equipment, which may or may not contain combustible material, in the Premises.

SMOKING

Smoking is prohibited in the Premises and all enclosed Common Areas of the Building, including, without limitation, the main lobby, all hallways, all elevators, all elevator lobbies, all restrooms and the parking areas.

ADVERTISING

Port shall have the right to prohibit any advertising or business conducted by PAS referring to the Building which, in Port's opinion, tends to impair the reputation of the Building or its desirability as a first class building for offices and/or commercial services and upon notice from Port, PAS shall refrain from or discontinue such advertising.

COIN MACHINES

Only Port shall have the right to place in and upon the Common area pay phones and coin-operated machines for the sale of beverage, candy and other merchandise or service.

PARKING

PAS, PAS' agents, servants, employees, contractors, licensees, or visitors shall not park any vehicles in any driveways, service entrances, or restricted parking areas and shall comply with any other parking regulations imposed by Port from time to time.

AMENDMENTS

Port reserves the right at any time to add, change or rescind any one or more of these rules and regulations or to make such other and further rules and regulations as the Port shall determine is in the best interest of the Common Area, the Port and their business agents and invitees. In

the terminal of any conflict between these or any modified rules and regulations and the Management Agreement, the terms and provisions of the Management Agreement shall prevail.

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Appendix F – Select Permitted & Regulated Activity – Summary Table

CITY & COUNTY OF SAN FRANCISCO				
AGENCY	**REGULATED ACTIVITY**	**REQUIREMENT**	**APPLIES**	**PERMIT NO.**
Port of San Francisco	- Post-Construction Stormwater	Stormwater Management Requirements and Design Guidelines (Stormwater Control Plan)* *New and redevelopment projects that create and/or replace: (1) greater than or equal to 5,000 square feet of impervious surface in separate and combined sewer area; or (2) greater than or equal to 2,500 square feet of impervious surface in separate sewer areas must comply with the 2016 San Francisco Stormwater Management Requirements and Design Guidelines.	TBD	
SF Department of Public Health – Hazardous Materials Unified Program Agency (HMUPA)	- Hazardous Materials Storage - Hazardous Waste - Aboveground Storage Tanks - Underground Storage Tanks - Cellular Antennae	Hazardous Materials Business Plan Review/Approval of Proposal	YES YES	TBD
SF PUC	- Industrial Wastewater - Chemical toilets, etc.	Industrial Discharge Permit Stormwater Management Ordinance Stormwater Management Requirements and Design Guidelines (Stormwater	YES	TBD

		Control Plan) Construction Site Runoff Ordinance		
SF Fire Department	- Flammable Materials - Compressed Gases - Open Flame Devices - Vehicle Garage, Repair - Hot Works, Welding, Cutting		YES	TBD
SF Planning Department	- Project subject to CEQA	CEQA conditions	YES	94.155E 1999.377E
STATE OF CALIFORNIA				
AGENCY	**ACTIVITY**	**REQUIREMENT**	**APPLIES**	**PERMIT NO.**
DTSC	Hazardous Waste Generation	EPA ID Numbers	YES	CAL920215229
WATER BOARDS	- Industrial - Construction - Post-Construction - In-Water Activities		YES TBD TBD TBD	TBD
Department of Resources, Recycling, and Recovery	- Waste Tire Program		YES	TBD
Highway Patrol	- Required Vehicle and Driver Record Inspections		NO	
CA PUC	- Carry Passengers - Issuance of Livery Plates - Certain Transit Routes - Reviews Passenger Rates		NO	
Cal-OSHA	- Employee Health and Safety	Injury Illness Prevention Program	YES	TBD
FISH & GAME - OSPR	- Fueling Over Water	Certificate of Financial Responsibility	NO	N/A
BCDC	- Work within 100-ft shoreline band	Permit	TBD* *based on future	

			construction improvements	
FEDERAL				
AGENCY	**ACTIVITY**	**REQUIREMENT**	**APPLIES**	**PERMIT NO.**
DOT			NO	
Department of Homeland Security TWIC	-33CFR105	Access Control	YES	TBD
Army Corps	- Temporary structures in navigable waters - Dredging	Rivers and Harbors Act Section 10 Permit	NO NO	

Appendix G – Hazardous Materials Inventory

To be submitted to the Port and SF Dept. of Public Health – Environmental Health Division
Not yet available - To Be Provided by PAS

Appendix H – Industrial Stormwater Pollution Prevention Plan

NOI received and acknowledged
PAS San Diego Industrial SWPPP plan 6/1/2015 drafted and reviewed by Port environmental officials. Copy available upon request.

Appendix I – Fire Department Permit List

TBD – PENDING ON RESEACH AND DEVELOPMENT

Appendix J – Spill Prevention, Control and Countermeasure Plan

TBD – PENDING ON RESEACH AND DEVELOPMENT

Appendix K – Definitions

1.1. Definitions. Definitions used in this Operations Plan are found in the specified locations in this Operations Plan or are set forth below. Definitions that are not capitalized below are not capitalized when used in this Operations Plan.

"**Agents**" is defined in the Management Agreement. "**Berth**" or "**Berthing**" is defined in the Management Agreement. "**Berthing Area**" is defined in the Management Agreement. "**Berthing Area Improvements**" is defined in the Management Agreement.

"**BMPs**" means Best Management Practice.

"**CCR**" means the California Code of Regulations.

"**CFR**" means the Code of Federal Regulations.

"**City**" means the City and County of San Francisco, a municipal corporation.

"**Commission**" means the San Francisco Port Commission.

"**Environmental Laws**" is defined in the Management Agreement or.

"**Environmental Regulatory Action**" is defined in the Management Agreement.

"**Environmental Regulatory Agency**" is defined in the Management Agreement.

"**Environmental Regulatory Approval**" is defined in the Management Agreement.

"**Environmental Requirements**" is defined in the Management Agreement.

"**EPA**" means the US Environmental Protection Agency.

"**Excursion Vessel**" is defined in the Management Agreement.

"**Harbor Services/Support Vessel**" is defined in the Management Agreement.

"**Hazardous Material**" is defined in the Management Agreement.

"Operating Agreement "**Invitees**" is defined in the Management Agreement.

"**Law**" is defined in the Management Agreement.

"**Premises**" is defined in the Management Agreement.

"**Regulatory Agency**" is defined in the Management Agreement.

"**Regulatory Approval**" is defined in the Management Agreement.

"**Release**" is defined in the Management Agreement.

"**Rules and Regulations**" means the Rules and Regulations, if any, applicable to the Premises, as may be amended from time to time.

"**RWQCB**" means the San Francisco Bay Regional Water Quality Control Board of Cal/EPA, a state agency.

"**PAS**" means the Party identified as PAS in the Management Agreement.

"**PAS Vehicle**" is defined in the Management Agreement.

"**PAS Vessel**" is defined in the Management Agreement.

"**Terminal**" is defined in the Management Agreement.

"**Vessel**" is defined in the Management Agreement.

EXHIBIT F
SCOPE OF WORK FOR CAPITAL IMPROVEMENTS

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[illegible] - Port of San Francisco — Doc: 06/29/2017
Automobile/Cruise Terminal Planning
Preliminary Scope of Work and Budget Estimate - ALL AREAS — Maximum Rent Credit Amount $2,000,000

Description	Unit Price	Unit	Quantity	Estimate Totals	Potential Rent Credit
000 - PLANNING/ENGINEERING/CM/QC					
Customer X Area					
Site/Civil Engineering	$ 85,000.00	LS	1	$ 85,000.00	
Architechtural/Structural Design-Build	$ 195,000.00	LS	1	$ 195,000.00	
Geotechnical/Survey/Technical Studies	$ 125,000.00	LS	1	$ 125,000.00	
Project Planning, Permits & Approvals	$ 210,000.00	Allow	1	$ 210,000.00	
Port/City of San Francisco Permits, Approvals & Fees	$ 250,000.00	Allow	1	$ 250,000.00	
Development Management / CM @ 7.5%	$ 1,350,000.00	Allow	1		
Engineers Inspections/QC/Compliance	$ 175,000.00	Allow	1	$ 175,000.00	
TWIC Fence Adjustment Administration	$ 45,000.00	Allow	1		
Customer X Subtotal				**$ 1,040,000.00**	
PASHA Area					
Site/Civil Engineering	$ 145,000.00	LS	1	$ 145,000.00	
Architechtural/Structural Design-Build	$ 325,000.00	LS	1	$ 325,000.00	
Geotechnical/Survey/Technical Studies	$ 175,000.00	LS	1	$ 175,000.00	
Project Planning, Permits & Approvals	$ 275,000.00	Allow	1	$ 275,000.00	
Port/City of San Francisco Permits, Approvals & Fees	$ 250,000.00	Allow	1	$ 250,000.00	
Development Management / CM @ 7.5%	$ 1,350,000.00	Allow	1		
Engineers Inspections/QC/Compliance	$ 255,000.00	Allow	1	$ 255,000.00	
TWIC Fence Adjustment Administration	$ 25,000.00	Allow	1	$ 50,000.00	
PASHA Subtotal				**$ 1,475,000.00**	
Subtotal 000				**$ 2,515,000.00**	
100-SITE PREPARATION					
ustomer X Area					
Site Clearing, Grubbing, Demolition & Removals	$ 4,500.00	AC	10	$ 45,000.00	
Erosion Control & SWPP	$ 110,000.00	LS	1	$ 110,000.00	
Earthwork & Grading	$ 20.00	CY	6,500	$ 130,000.00	
Stormwater Management	$ 175,000.00	Allow	1	$ 175,000.00	
Customer X Subtotal				**$ 460,000.00**	
PASHA Area					
Site Clearing, Grubbing, Demolition & Removals	$ 225,000.00	Allow	1	$ 225,000.00	
Erosion Control & SWPP	$ 110,000.00	LS	1	$ 110,000.00	
Earthwork & Grading	$ 20.00	CY	3,250	$ 65,000.00	
Stormwater Management	$ 175,000.00	Allow	1	$ 175,000.00	
PASHA Subtotal				**$ 575,000.00**	
Subtotal 100				**$ 1,035,000.00**	
200-SITE WORK					
Customer X Area					
Asphalt Paving - Crack Fill & Repairs	$ 250,000.00	LS	1	$ 250,000.00	
Asphalt Paving - Slurry/Seal	$ 12.00	SY	217,800	$ 2,613,600.00	
Asphalt Paving - Light Duty	$ 24.00	SY	58,080	$ 1,393,920.00	
Asphalt Paving - Medium Duty	$ 30.00	SY	19,360	$ 580,800.00	
Concrete - Heavy Duty	$ 38.00	SY	1,000	$ 38,000.00	
Concrete Driveways, Aprons & Curb-Cuts	$ 45,000.00	Allow	1	$ 45,000.00	
Off-Site Roadway Improvements	$ 250,000.00	Allow		$ -	
At-grade Rail Crossings	$ 75,000.00	Allow		$ -	
Misc Concrete & Bollards	$ 75,000.00	Allow	1	$ 75,000.00	
Customer X Subtotal				**$ 4,996,320.00**	YES
PASHA Area					
Asphalt Paving - Crack Fill & Repairs	$ 175,000.00	LS	1	$ 175,000.00	
\sphalt Paving - Slurry/Seal	$ 12.00	SY	121,000	$ 1,452,000.00	
Asphalt Paving - Light Duty	$ 24.00	SY	24,200	$ 580,800.00	
Asphalt Paving - Medium Duty	$ 30.00	SY	12,100	$ 363,000.00	
Concrete - Heavy Duty	$ 38.00	SY	1,000	$ 38,000.00	
Concrete Driveways, Aprons & Curb Cuts	$ 45,000.00	Allow	1	$ 45,000.00	
Off-Site Roadway Improvements	$ 250,000.00	Allow	1	$ 250,000.00	
At grade Rail Crossings	$ 75,000.00	Allow	1	$ 75,000.00	

Pasha Automotive Services - Pier 80 - Port of San Francisco | Exhibit F | DRAFT - 06/20/2016
Automobile/Omni Terminal Planning
Preliminary Scope of Work and Budget Estimate - ALL AREAS | Maximum Rent Credit Amount $2,000,000

Description		Unit Price	Unit	Quantity		Estimate Totals	Potential Rent Credit
Misc Concrete & Bollards	$	75,000.00	Allow	1	$	75,000.00	
PASHA Subtotal					$	3,053,800.00	YES
Subtotal 200					$	8,050,120.00	
300-BUILDINGS / STRUCTURES							
Shed D - Northern Building - 75,000 SF/175,000 SF							
Building Demo, Removals, and Prep	$	300,000.00	Allow	1	$	300,000.00	
Exterior Building Prime and Paint	$	225,000.00	Allow	1	$	225,000.00	
Building Structure, Shell & Roof Rehabilitation	$	18.00	SF	75,000	$	1,350,000.00	Yes
Building Foundations, Aprons, and Dock-High Modifications	$	175,000.00	Allow	1	$	175,000.00	
Fast Up Overhead Doors	$	21,000.00	EA	6	$	126,000.00	
Standard Overhead Doors	$	7,800.00	EA	4	$	31,200.00	
Building Fire Protection (Entire Shed D)	$	4.50	SF	175,000	$	787,500.00	
Subtotal Shed D					$	2,994,700.00	
Shed A - Southern Building - Multi-Tennant VPC/Pasha Ops - 224,000 SF							
Building Demo, Removals, and Prep	$	375,000.00	Allow	1	$	375,000.00	
Exterior Building Prime and Paint	$	435,000.00	Allow	1	$	435,000.00	
Building Structure, Shell & Roof Rehabilitation	$	18.00	SF	150,000	$	2,700,000.00	
Building Foundations, Aprons, and Dock-High Modifications	$	325,000.00	Allow	1	$	325,000.00	
Building Earthwork, Underground & Site/Civil	$	525,000.00	Allow	1	$	525,000.00	
Processing Area Floor Drainage & Surface Finishes	$	7.00	SF	66,000	$	462,000.00	
Fast Up Overhead Doors	$	21,000.00	EA	6	$	126,000.00	
Standard Overhead Doors	$	7,800.00	EA	4	$	31,200.00	
Building Fire Protection (Entire Shed A)	$	4.50	SF	175,000	$	787,500.00	
Subtotal Shed A					$	5,766,700.00	
Stevedore & Crane/Mechanical Building							
Exterior Clean, Prime & Paint	$	85,000.00	LS	1	$	85,000.00	
Building Structure, Shell & Roof Rehabilitation	$	18.00	SF	3,000	$	54,000.00	
Subtotal Stevedore & Crane/Mechanical Bldg					$	139,000.00	
Octagon Office Building							
Office Rennovation	$	150,000.00	Allow	1	$	150,000.00	
Subtotal Octagon Office Building					$	150,000.00	
Guard House & Access Control							
Elevated Guard House Modifications	$	75,000.00	Allow	1	$	75,000.00	
Subtotal Guardhouse					$	75,000.00	
Subtotal 300					$	9,050,400.00	
500-SITE LIGHTING/ELECTRICAL/HVAC							
Customer X Area							
Primary Electrical Service	$	250,000.00	LS	1	$	250,000.00	
Transformers & Secondary	$	175,000.00	LS	1	$	175,000.00	
Underground Electrical	$	65.00	LS	2,000	$	130,000.00	
High Mast LED Site Lighting - 100'	$	40,000.00	EA	8	$	320,000.00	
Medium Mast LED Site Lighting - 60'	$	28,000.00	EA	0	$	-	
Low Mast LED Site Lighting - 30'	$	9,000.00	EA	6	$	54,000.00	
Customer X Subtotal					$	929,000.00	
PASHA Area							
Primary Electrical Service	$	250,000.00	LS	1	$	250,000.00	
Transformers & Secondary	$	175,000.00	LS	1	$	175,000.00	
Underground Electrical	$	65.00	LS	2,000	$	130,000.00	
High Mast LED Site Lighting - 100'	$	40,000.00	EA	7	$	280,000.00	
Medium Mast LED Site Lighting - 60'	$	28,000.00	EA	0	$	-	
Low Mast LED Site Lighting - 30'	$	9,000.00	EA	5	$	45,000.00	
PASHA Area					$	880,000.00	
Subtotal 500					$	1,809,000.00	
600-UTILITIES & ADJUSTMENTS							
Customer X Area							
Existing Utility or Pipeline Adjustments	$	75,000.00	Allow	1	$	75,000.00	

Pier 80 Automotive Service - Ph 1 - Port of San Francisco - Draft - TMG 05/20/2015
Automobile/Omni Terminal Planning
Preliminary Scope of Work and Budget Estimate - ALL AREAS Maximum Rent Credit Amount $2,000,000

Description	Unit Price	Unit	Quantity	Estimate Totals	Potential Rent Credit
Potable Water Service - Domestic	$ 125,000.00	Allow	1	$ 125,000.00	
Sanitary Sewer Service to Buildings	$ 125,000.00	Allow	1		
Fire Protection - Lines, valves, hydrants, building extensions	$ 125,000.00	Allow	1	$ 125,000.00	
Natural Gas Service to Buildings	$ 35,000.00	Allow	2	$ 70,000.00	
Customer X Subtotal				$ 395,000.00	
PASHA Area					
Existing Utility or Pipeline Adjustments	$ 75,000.00	Allow	1	$ 75,000.00	
Potable Water Service - Domestic	$ 125,000.00	Allow	1	$ 125,000.00	
Sanitary Sewer Service to Buildings	$ 125,000.00	Allow	1		
Fire Protection - Lines, valves, hydrants, building extensions	$ 125,000.00	Allow	1	$ 125,000.00	
Natural Gas Service to Buildings	$ 35,000.00	Allow	2	$ 70,000.00	
PASHA Subtotal				$ 395,000.00	
Subtotal 600				$ 790,000.00	
700-FENCING/SECURITY/STRIPING					
Customer X Area					
TWIC Security Fencing & Crash Cable	$ 35.00	LF	7000	$ 245,000.00	
Main Entrance Gate w/Access Control	$ 65,000.00	LS	1	$ 65,000.00	
Employee Gate & Access Control	$ 50,000.00	LS	1	$ 50,000.00	
Perimeter Fence Gates	$ 7,500.00	EA	4	$ 30,000.00	
Guard Rail	$ 75.00	LF	750	$ 56,250.00	
K Rail	$ 50,000.00	Allow	1	$ 50,000.00	
Striping & Pavement Markings	$ 2,750.00	AC	40	$ 110,000.00	
CCTV Cameras & Security Systems	$ 250,000.00	Allow	1	$ 250,000.00	
Customer X Subtotal				$ 856,250.00	
PASHA Area					
TWIC Security Fencing & Crash Cable	$ 35.00	LF	1500	$ 52,500.00	
Main Entrance Gate w/Access Control	$ 65,000.00	LS	0	$	
Employee Gate & Access Control	$ 50,000.00	LS	1	$ 50,000.00	
Perimeter Fence Gates	$ 7,500.00	EA	3	$ 22,500.00	
Guard Rail	$ 75.00	LF	750	$ 56,250.00	
K Rail	$ 50,000.00	Allow	1	$ 50,000.00	
Striping & Pavement Markings	$ 2,750.00	AC	20		
CCTV Cameras & Security Systems	$ 250,000.00	Allow	1	$ 250,000.00	
PASHA Subtotal				$ 481,250.00	
Subtotal 700				$ 1,337,500.00	
800-LANDSCAPING & SIGNAGE					
Customer X Area					
Landscaping & Aesthetics	$ 75,000.00	Allow	1	$ 75,000.00	
Customer X Subtotal				$ 75,000.00	
PASHA Area					
Landscaping & Aesthetics	$ 75,000.00	Allow	1	$ 75,000.00	
PASHA Subtotal				$ 75,000.00	
Subtotal 800				$ 150,000.00	
PRELIMINARY BUDGET ESTIMATE (+10% contingency)				$ 26,431,046.50	

AC-Acre EA-Each LF-Linear Foot Allow-Allowance
SY-Square Yard NIC-Not In Contract
CY-Cubic Yard LS-Lump Sum
TF - Track Feet

EXHIBIT G

POSSIBLE EXPANSION SITE

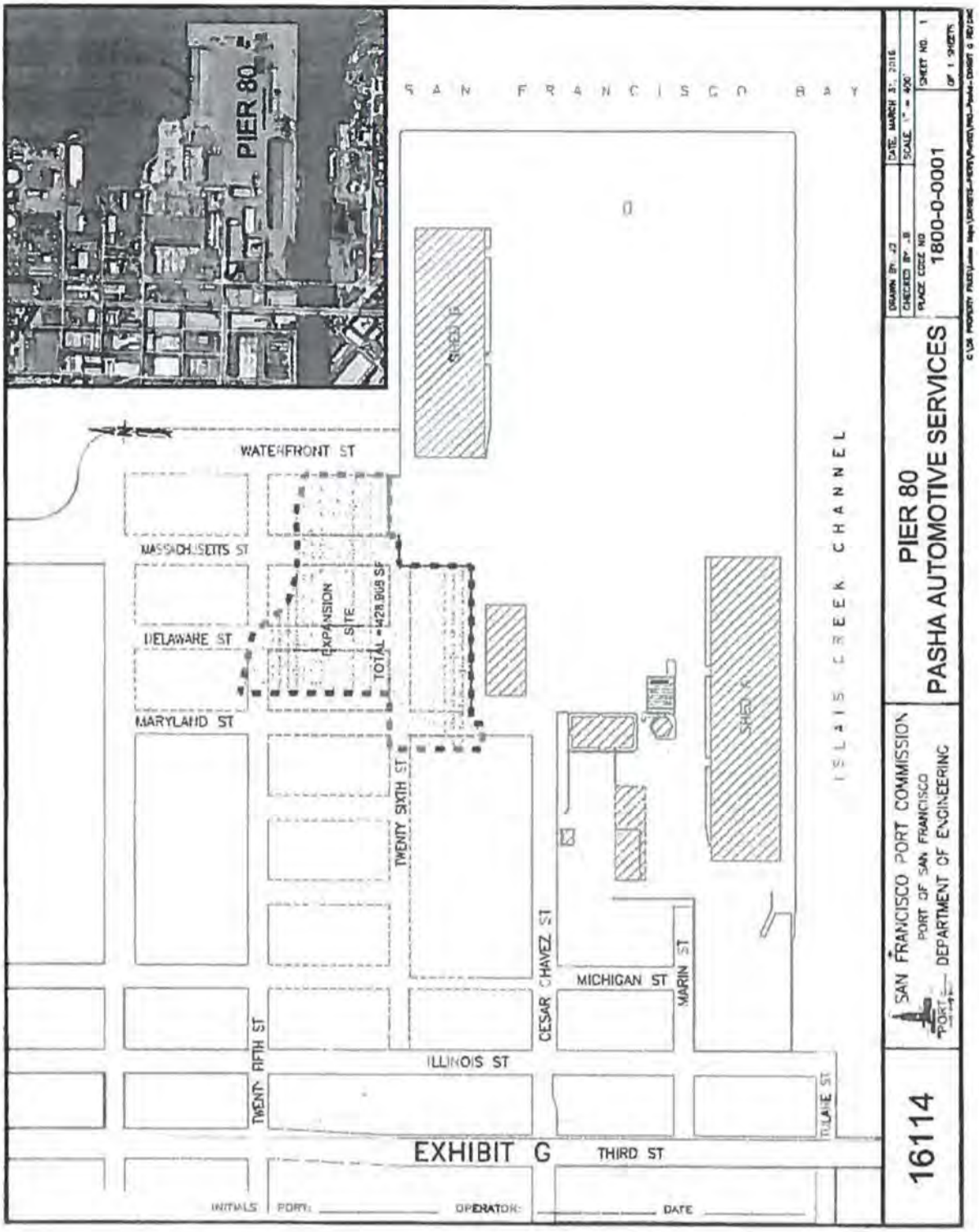


EXHIBIT H

FIRST SOURCE HIRING AGREEMENT

Exhibit H: First Source Hiring Agreement

This First Source Hiring Agreement (this "FSH Agreement"), is made as of July 1, 2016, by and between Pasha Automotive Services, a California corporation ("Pasha"), and the City and County of San Francisco, acting by and through the Office of Economic and Workforce Development ("OEWD"), collectively the "Parties":

RECITALS

WHEREAS, Pasha is entering into Management Agreement 16114 with the Port to operate the Pier 80 Cargo Terminal ("Terminal Agreement"); and,

WHEREAS, Pasha is required to comply with the City's First Source Hiring Ordinance as set forth in Chapter 83 of the San Francisco Administrative Code ("FSH Ordinance");and

WHEREAS, Pasha wishes to make commitments for local hiring that exceed the requirements of the FSH Ordinance as expressly set forth herein and has agreed to execute this FSH Agreement and participate in the Workforce System managed by OEWD; and

WHEREAS, this FSH Agreement will be incorporated into the Terminal Agreement as a material term;

NOW, THEREFORE, in consideration of the mutual covenants set forth herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Parties covenant and agree as follows:

1. DEFINITIONS

For purposes of this FSH Agreement, initially capitalized terms shall be defined as follows:

a. Entry Level Position: Any non-managerial position that requires no education above a high school diploma or certified equivalency, and less than two (2) years training or specific preparation, and shall include temporary, permanent, trainee and intern positions.

b. Workforce System: The First Source Hiring program established by OEWD.

c. Referral: A member of the Workforce System who has been identified by OEWD as having the appropriate training, background and skill sets for specified Entry Level Positions with Pasha at the Pier 80 Cargo Terminal.

2. DUTIES OF PARTIES

a. Pasha shall exercise due diligence to notify OEWD as early as possible of every available Entry Level Position and to provide OEWD a minimum of ten (10) business days to recruit and refer qualified candidates prior to advertising such position to the general public. Pasha will advise OEWD in advance of all hiring requirements including but not limited to testing that Pasha considers necessary for employment for all hires (including Entry Level Positions).
b. Subject to availability, OEWD will refer an adequate number of Referrals to meet Pasha's hiring needs and will make every effort to prioritize residents from SF Supervisorial District 10.
c. Pasha will interview each Referral and prioritize hiring from the Referrals, with emphasis on SF Supervisorial District 10 hires, provided the Referrals at a minimum meet Pasha's hiring criteria, including background check, motor vehicle record check and drug screening.
d. Pasha will provide feedback to OEWD on Referrals interviewed, and Referrals hired, including name, position title, starting salary and employment start date and other information reasonably requested by OEWD or Port no later than ten (10) business days after date of interview or hire. Pasha will also provide feedback on reasons as to why Referrals were not hired.
e. Pasha will commit to a retention goal of hires through the Workforce System and submit a monthly workforce retention report to OEWD in a form acceptable to OEWD and Port. Pasha shall meet with OEWD on a quarterly or as needed basis to discuss hiring goals and practices for Referrals, including but not limited to workforce status, review reports, and identifying additional opportunities.
f. This FSH Agreement shall be in full force and effect throughout the term of the Terminal Agreement.

3. GOOD FAITH EFFORT TO COMPLY

Pasha will make good faith efforts to comply with its obligations under this FSH Agreement. OEWD's determination of good faith efforts shall be based on all of the following:

a. Pasha will execute this FSH Agreement and a completed *Exhibit H-1* upon execution of the Terminal Agreement with the Port. Pasha will also accurately complete and submit *Exhibit H-1* annually to reflect employment conditions.
b. Pasha agrees to register with OEWD's Referral Tracking System, upon execution of this FSH Agreement.
c. Pasha will identify a single point of contact responsible for communicating Entry Level Positions and take active steps to ensure continuous communication with OEWD.
d. During the term of this FSH Agreement, Pasha shall use Good Faith Efforts to hire Referrals, prioritizing Referrals from Supervisorial District 10. All Pasha hiring shall be subject, in Pasha's sole discretion, to Pasha's minimum qualifications criteria, drug screening and background check. Pasha's goal will be to hire Referrals so that at least 50% of Pasha's new hires for Entry Level Positions are Referrals and are residents of District 10 (provided that OEWD is able to refer an adequate number Referrals from District 10).

e. Pasha shall provide OEWD with monthly Referral hiring reports in a form acceptable to OEWD and Port and shall participate in quarterly Referral status/hiring/retention update meetings with OEWD staff.

f. Nothing in this FSH Agreement shall be interpreted to prohibit the continuation of existing workforce training agreements or to interfere with consent decrees, collective bargaining agreements, insurance agreements, existing employment contracts or Pasha's Drug and Alcohol Policy. In the event of a conflict between this FSH Agreement and an existing agreement or Pasha policy, the terms of the existing agreement or Pasha policy shall supersede this FSH Agreement.

g. Pasha's failure to make good faith efforts shall not impute "bad faith" but shall trigger a review of the referral process and Pasha's compliance with this FSH Agreement.

h. Noncompliance with this FSH Agreement will result in penalties as defined by the FSH Ordinance, which Pasha has read, understands and agrees to comply with. OEWD agrees that Pasha shall be able to take negotiated corrective actions and avoid penalties in an enforcement scenario if Pasha's non-compliance did not violate the FSH Ordinance. The parties agree that corrective actions shall not cause Pasha to violate any of the agreements referenced in Paragraph 3(f) above or any of its hiring criteria.

4. NOTICE
All notices to be given under this FSH Agreement shall be in writing and sent via mail or email as follows:

ATTN: Office of Economic and Workforce Development
1 South Van Ness Avenue, 5th Floor, San Francisco, CA 94103

5. Section 25.8 of the Terminal Agreement and this FSH Agreement contain the entire agreement between the parties as to compliance with the FSH Ordinance and shall not be modified in any manner except by an instrument in writing executed by the parties or their respective successors. If any term or provision of this FSH Agreement shall be held invalid or unenforceable, the remainder of this FSH Agreement shall not be affected. If this FSH Agreement is executed in one or more counterparts, each shall be deemed an original and all, taken together, shall constitute one and the same instrument. This FSH Agreement shall inure to the benefit of and shall be binding upon the parties to this FSH Agreement and their respective heirs, successors and assigns. Section titles and captions contained in this FSH Agreement are inserted as a matter of convenience and for reference and in no way define, limit, extend or describe the scope of this FSH Agreement or the intent of any of its provisions. This FSH Agreement shall be governed and construed by laws of the State of California.

6. Pasha acknowledges and agrees that the City's Local Hiring Requirements as applicable to the construction of improvements and the City's Prevailing Wage Requirements as described in Sections 25.19 and 25.15 respectively of the Terminal Agreement are separate programs with independent requirements and that Pasha's compliance with this FSH Agreement does not fulfill the requirements of those other programs.

[REMAINDER OF PAGE LEFT BLANK]

IN WITNESS WHEREOF, the parties have executed this FSH Agreement as of the dates set forth below.

CITY AND COUNTY OF SAN FRANCISCO
A municipal corporation operating by and through the Office of Economic and Workforce Development

By _____
Todd Rufo, Director

Date Executed: 6-27-2016

dlec

PASHA AUTOMOTIVE SERVICES
A California Corporation

By _____
~~George W. Pasha IV, President and CEO~~
James R. Britton, CFO

Date Executed: 7/25/16

APPROVED AS TO FORM:
DENNIS J. HERRERA, City Attorney

By Rona H. Sandler
Deputy City Attorney

FIRST SOURCE HIRING PROGRAM

WORKFORCE PROJECTIONS FORM

SAN FRANCISCO

CITY AND COUNTY OF SAN FRANCISCO
OFFICE OF ECONOMIC AND WORKFORCE DEVELOPMENT

EXHIBIT H-1 WORKFORCE PROJECTIONS

DRAFT V4

Business Name: _____ **Phone:** _____

Main Contact: _____ **Email:** _____

_____ _____

Signature of authorized representative* **Date**

**By signing this form, the lessee agrees to participate in the Workforce System managed by the Office of Economic and Workforce Development (OEWD) and comply with the provisions of Exhibit B First Source Hiring Agreement pursuant to San Francisco Administrative Code Chapter 83.*

Instructions:

The employer must notify the First Source Hiring Program (Contact Info below) If an **Entry Level Position** becomes available.

Section 1: Select your Industry

☐ Auto Repair	☐ Entertainment	☐ Personal Services
☐ Business Services	☐ Elder Care	☐ Professionals
☐ Consulting	☐ Financial Services	☐ Real Estate
☐ Construction	☐ Healthcare	☐ Retail
☐ Government Contract	☐ Insurance	☐ Security
☐ Education	☐ Manufacturing	☐ Wholesale
☐ Food and Drink	☐ I don't see my Industry *(Please Describe)*_____	

Section 2: Describe Primary Business Activity

_____

Section 3: Provide information on all Entry Level Positions

Entry-Level Position Title	Job Description	Number of New Hires	Projected Hiring Date

Please email, fax, or mail this form SIGNED to:

ATTN: Business Services
Office of Economic and Workforce Development
1 South Van Ness Avenue, 5th Floor, San Francisco, CA 94103
Tel: 415-701-4848
Fax: 415-701-4897
mailto:Business.Services@sfgov.org
Website: www.workforcedevelopmentsf.org

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EXHIBIT I
FORM BERTHING AGREEMENT

Chief Wharfinger
Port of San Francisco
Pier 1, The Embarcadero
San Francisco, CA 94111

Phone (415) 274-0400
Fax (415) 274-0528
www.sfport.com

CITY AND COUNTY OF SAN FRANCISCO, ACTING BY AND THROUGH THE PORT OF SAN FRANCISCO

APPLICATION AND AGREEMENT FOR BERTH ASSIGNMENT AND USE OF PIER 80 CARGO TERMINAL ("Facility")

Dates Requested – Start _____, 20___ **and Expire:** _____, 20___

Applicant/Agent on Behalf of Vessel: _____

Physical Address: _____

Billing Address: _____

Berth Requested: _____

Purpose for Berth Assignment: _____

Vessel Name: _____ **Flag:** _____ **Trade:** _____

Draft: _____ **Overall Length:** _____ **Beam:** _____

Dimension: Length _____ **Depth** _____ **Nationality:** _____ **IMO#** _____

Agent or Owner: _____

TERMS AND CONDITIONS.

1. USE OF BERTH.

This Agreement grants Applicant, its officers, directors, and employees and its crew (collectively "**Applicant**"), and its contractors, including without limitation persons providing stevedoring, chandlery, harbor services and other services (collectively, "**Contractors**") the right to dock vessels owned, operated or represented by Applicant at the assigned berth (the "**Berth**") at the Facility for the duration specified in this Agreement for layberthing and/or loading and unloading of cargo, provisions, gear and machinery of such vessel over through and upon the Facility. This Agreement grants a revocable, personal. non-assignable, non-exclusive, and non-possessory privilege to conduct the permitted use only on a temporary basis. Port, in its sole discretion, without liability to Applicant, shall have the right to permanently or temporarily close, revise or modify the Berth upon reasonable notice to Applicant and Applicant shall comply with any such revisions or modifications. Without limiting any of Port's rights hereunder, Applicant agrees that Port may, in its sole and absolute discretion, revoke or terminate this Agreement without cause and without liability or obligation to pay any consideration to Applicant or its Contractors.

Applicant acknowledges that it has inspected the Berth and the Facility and is satisfied that such facilities are adequate for the safe and secure dockage of Applicant's vessel and use. Applicant shall immediately notify the Port's Wharfinger of any observed dangerous condition requiring attention by the Port. Neither Applicant nor its Contractors shall alter docks, pilings or any improvements or facilities of the Berth or Facility. There is no warranty of any kind as to the condition of the Berths, fendering, water depth, ramps, mooring points, or any other part of the Facility and Applicant accepts them in their "As Is" condition. Applicant further acknowledges and agrees that neither Port nor any of its agents have made, and Port hereby disclaims, any representations or warranties, express or implied, concerning the physical or environmental condition of the Facility (including, but not limited to the substructure), the present or future suitability of the Facility for Applicant's business, or any other matter whatsoever relating to the Facility, including, without limitation, any implied warranties of merchantability or fitness for a particular purpose. Applicant shall cooperate with Port, other licensees and users of the Facility and approaches thereto, and will not unreasonably interfere with the operations of the Facility.

Nothing in this Agreement shall obligate Port to provide a Port representative at the Facility, nor shall such presence obligate Port, its officers, employees or agents to take any action whatsoever. Applicant agrees that Port, its officers, employees and agents shall not be responsible for regulating traffic at the Facility.

Applicant shall, at its own cost and expense, provide all mooring lines, tackle, gear and labor for the mooring of vessels at the Facility, and shall provide, at its own cost and expense, such equipment and employ such persons as it may require for the handling of cargo, provisions, gear and machinery; provided, however, that nothing contained herein shall prevent Applicant from using such equipment as may be installed by Port at the Facility upon the payment of the charges fixed therefor.

2. PROHIBITED USES.

The following are prohibited in, on or around the Berth and the Facility or surrounding or adjacent Port property: waste, nuisance or unreasonable annoyance to Port, its invitees, licensees, tenants, or the owners or occupants of adjacent properties; any action or inaction that could cause damage to a berth or the Facility; interference with Port's use of its property or obstruction of traffic (including, but not limited to, vessel, vehicular and pedestrian traffic); and any activity which will in any way increase the existing rate of, affect or cause a cancellation of, any insurance policy covering the Facility, any part thereof or any of its contents.

Repairs and maintenance to the exterior of vessels while berthed at the Facility are prohibited. In water hull cleaning or any other cleaning of the exterior of a vessel is prohibited, except with biodegradable soap and clean water. Repairs, maintenance and cleaning in the interior of a vessel, such as fluid changes, painting, hot works and welding, and handling of Hazardous Materials (as defined in Section 9) are permissible only if performed wholly within the confines of a vessel.

3. SECURITY REQUIREMENTS. Applicant will at all times be in compliance with the provisions as required in the Maritime Transportation Security Act of 2002 as described in 33 CFR Chapter 1 Subchapter H, Parts 101,103, 104 and 105. Applicant is responsible for designation of the onsite vessel security officer (VSO) who in conjunction with the designated Facility Security Officer (FSO) will be responsible for the execution and administration of all required vessel and facility security measures and staffing.

4. COMPLIANCE WITH LAWS/TARIFF. Applicant shall comply with the terms and provisions of this Agreement and with all applicable federal, state and local laws and regulations including, without limitation, the rules and regulations of the Port Commission and Port's Tariff #5, as they may be amended or replaced from time to time ("**Laws**") and Port's Tariff #5, as it may be amended or replaced from time to time ("**Tariff**") in its use of the Berth and all other activities undertaken by Applicant or its Contractors and their clients, customers, invitees, patrons, guests, licensees, permittees, and concessionaires ("**Invitees**") on or about the Facility. Except as otherwise set forth in this Agreement, Applicant and its Contractors and their Invitees are contractually bound by all Tariff rates, terms and conditions as if the same were set forth in full herein. In the event of a conflict between the provisions of the Tariff and the provisions of this Agreement, this provisions of this Agreement shall prevail.

5. PAYMENT.

Applicant shall pay the rates and fees in the amount and manner as set forth in the Tariff and as provided below in Section 18. All amounts shall be paid when due to Port, without prior demand and without any deduction, setoff or counterclaim whatsoever. Applicant agrees to keep accurate books and records for the purposes of auditing these accounts for four (4) years and to make them available in San Francisco to Port and any auditor designated by Port for the purpose of examining same to determine the accuracy of Applicant's payments to Port. If an audit is made

within the four-year period and Port claims errors or omissions have occurred, the books shall be retained and made available until the matter is resolved.

In accordance with Division 3, Chapter 2 (§490 et. seq.) of the California Harbors and Navigation Code, outstanding charges for fees constitute a lien upon a vessel. Port may foreclose its maritime lien, including selling the vessel at a public auction as provided by Law.

Applicant shall pay all charges for services furnished to the Facility or used in connection with its or its Contractors' use, including, but not limited to, heat, gas, power, telephone, water, light and janitorial services, and pay all deposits, connection fees, charges, and meter rentals required by the supplier of any such service, including Port.

6. REQUIRED INSURANCE COVERAGE.

6.1. Applicant, at its sole cost and expense, shall maintain and/or cause to be maintained by its Contractors as applicable to their operations, the following insurance:

(a) Marine Comprehensive Liability Insurance, including stevedore's liability, in a form satisfactory to Port insuring against claims for bodily injury (including death), property damages, personal injury and advertising liability occurring on any part of the Berth or the Facility and operations incidental or necessary thereto, contractual liability, damage or loss of customer's goods or vessels in Applicant's or its Contractors' care, custody or control, mobile equipment and other vehicles not licensed for highway use, such insurance to afford protection in an amount not less than One Million And No/100 Dollars ($1,000,000) each occurrence and annual aggregate, and fire damage legal liability with limits of Five Hundred Thousand Dollars ($500,000) for the Facility.

(b) Business automobile liability insurance covering all owned, non-owned or hired motor vehicles to be used in connection with such person's use of the Facility, affording protection for bodily injury (including death) and property damage in the form of Combined Single Limit Bodily Injury and Premises Damage policy with limits of not less than One Million And No/100 Dollars ($1,000,000) per accident.

(c) Worker's Compensation; Jones Act; Longshore and Harbor Workers' Compensation Act Insurance in amounts required by Law, and employer's liability coverage with limits not less than $1,000,000 each accident, covering all persons employed by Applicant, its Contractors or Invitees in connection with the use of the Berth or Facility. In addition, if any employees of Applicant may be eligible for Longshore and Harbor Workers' Compensation Act benefits or Jones Act benefits, Applicant, its Contractors or Invitees shall maintain coverage for such benefits, as applicable, with limits not less than One Million Dollars ($1,000,000).

(d) Protection and indemnity insurance (watercraft liability insurance), including collision liability, with limits not less than One Million And No/100 Dollars ($1,000,000) each occurrence, or such lesser limits and deductible as are readily available in the insurance market at a commercially reasonable cost, which limits and deductible are subject to Port approval, and including Jones Act benefits, wreck removal, damages in "Rem" (the vessel), and Longshore & Harbor Workers' Compensation Act coverages.

(e) Umbrella; Excess Insurance with policy limits of no less than Twenty-four million dollars ($24,000.000) in excess of all the underlying policies required in this Section.

(f) Vessel pollution liability insurance coverage with limits not less than $5,000,000 per occurrence and $5,000,000 in the aggregate with a deductible not to exceed $50,000 or such lesser limits and deductible as are readily available in the insurance market at a commercially reasonable cost, which limits and deductible are subject to Port approval. The insurance must cover liability imposed under federal Laws and the Laws of any state or subdivision thereof on the insured for any loss, damage, cost, liability or expense arising out of the sudden, accidental and unintentional discharge, spillage, leakage, emission or release of any substance of any kind into or upon the navigable waters of the United States or the adjoining shorelines.

(g) Hull and Machinery coverage for the full replacement cost of all owned vessels and insured as per the American Institute Hull Forms.

(h) Such other insurance as required by Law and by administrative agencies with jurisdiction over marine operations. In addition, Applicant shall obtain such other insurance as is reasonably requested by City's Risk Manager and is customary for other comparable operators and uses permitted under this Agreement.

6.2. If any of the required insurance is provided under a claims-made form of policy, Applicant, its Contractors or Invitees shall maintain such coverage without lapse for a period of three years beyond the expiration of this Agreement, to the effect that should claims occur, such claims shall be covered by such claims-made policies.

6.3. If any of the required insurance s provided under a form of coverage which includes an annual aggregate limit or provides that claims investigation or legal defense costs be included in such annual aggregate limit, such annual aggregate limit shall be double the occurrence limits specified herein. Port and Applicant release each other, and their respective authorized representatives, from any claims for damage to the Berth or Facility or to the fixtures, personal property, improvements of either Port or Applicant in or on the Berth or Facility which are caused by or result from risks insured against under any property insurance policies carried by the parties and in force at the time of any such damage, to the extent such claims for damage are paid by such policies. Each party shall cause each property insurance policy obtained by it to provide that the insurance company waives all right of recovery by way of subrogation against the other party in connection with any damage covered by any policy.

6.4. General Insurance Matters.

All liability insurance policies required to be maintained by Applicant, its Contractors or Invitees hereunder shall contain a cross-liability clause, shall be endorsed to name as additional insureds (or its equivalent) "THE CITY AND COUNTY OF SAN FRANCISCO AND THE SAN FRANCISCO PORT COMMISSION AND THEIR OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS," shall be primary to any other insurance available to the additional insureds (or its equivalent) with respect to claims arising under this Agreement, and shall provide that such insurance applies separately to each insured against whom complaint is made or suit is brought except with respect to the limits of the company's liability. Applicant, its Contractors or Invitees shall provide Port with an additional insured (or its equivalent) endorsement in the form of ISO 2010 (11/85) or its equivalent.

(a) All insurance policies required to be maintained hereunder shall be issued by an insurance company or companies reasonably acceptable to Port. Applicant's, its Contractors' or Invitees' compliance with this Section shall in no way relieve or decrease Applicant's liability under this Agreement.

(b) All insurance policies required to be maintained hereunder shall provide for thirty (30) days prior written notice of cancellation or intended non-renewal or reduction in coverage to Applicant and Port.

(c) Applicant, its Contractors or Invitees as applicable shall deliver to Port certificates of insurance in a form satisfactory to Port, such as hard copy documentation or use of an internet-based insurance compliance tracking systems such as EXIGIS, evidencing the coverages required herein, together with evidence of payment of premiums. Applicant shall, upon Port's request, promptly furnish Port with a complete copy of any insurance policy required hereunder.

(d) Port may accept Applicant's or its Agents or Invitee's entry into a Protection & Indemnity Club that is a member of the International Group with a deductible subject to Port's approval in lieu of the third party commercial policies required above.

7. RELEASE; INDEMNITY.

Applicant, as a material part of the consideration to be rendered to Port, hereby waives any and all Claims, that it has or may have in the future against the Port or City, including, but not limited to, all of their respective boards, commissions, departments, agencies, and other subdivisions, and their respective agents (collectively, "**Released Parties**"), for any injury, loss or damage to any person or property in or about the Berth or Facility by or from any cause whatsoever including, inability to use all or any portion of the Facility due to sea level rise, but excluding any Claims caused solely by the Released Parties' willful misconduct or gross negligence.

Applicant understands and expressly accepts and assumes the risk that any facts concerning the Claims released in this Agreement might be found later to be other than or different from the facts now believed to be true, and agrees that the releases in this Agreement shall remain effective. Therefore, with respect to the Claims released in this Agreement, Applicant waives any rights or benefits provided by Section 1542 of the Civil Code, which reads as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

Applicant specifically acknowledges and confirms the validity of the release made above and the fact that Applicant was represented by counsel who explained the consequences of the release at the time this Agreement was made. or that Applicant had the opportunity to consult with counsel, but declined to do so.

Applicant shall indemnify, defend and hold harmless forever, Port and City and County of San Francisco, and their agents, officers, directors, contractors and employees (collectively, "**Indemnified Parties**"), from, and shall defend them, without cost to the Indemnified Parties, against any and all Claims (excluding any Claims caused solely by the Indemnified Parties' willful misconduct or gross negligence) arising directly or indirectly out of: (a) any accident, injury to or death of any person, including any Contractors and/or Invitees of Applicant, or loss or damage to or destruction of any property occurring in, on or about the Berth, Facility or any part thereof or any other Port property, from Applicant's, its Contractors' or Invitees' acts or omissions, or (b) any default by Applicant in the observance or performance of any of the terms, covenants or conditions of this Agreement, or (c) the use or manner of use or condition of the Berth, Facility or the activities therein by Applicant, its Contractors or Invitees.

Applicant shall indemnify the Indemnified Parties from any and all Claims which arise during or after the term of this Agreement as a result of the handling, release, or discharge of Hazardous Materials at the Berth or Facility by Applicant, its Contractors or Invitees including without limitation, all costs of investigating and remediating the same, damages for diminution in value of the Berth or Facility, damages for the loss or restriction on use of any usable space or of any amenity of the Berth or Facility, damages arising from any adverse impact on marketing of any such space, and sums paid in settlement of claims, attorneys' fees, consultant fees and expert fees. This Indemnification includes, but is not limited to, cost 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 Berth or Facility introduced on the Berth or Facility during Applicant's use thereof by Applicant, its Contractors or Invitees.

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

In addition to Applicant's obligation to indemnify the Indemnified Parties, Applicant specifically acknowledges and agrees that it has an immediate and independent obligation to defend the Indemnified Parties from any Claim which actually or potentially falls within the Indemnification obligations of Applicant set forth in this Agreement, even if the allegations are or may be groundless, false or fraudulent. This Indemnification by Applicant shall begin from the first notice that any claim or demand is or may be made and shall continue until a court determination that such Claim does not fall within the indemnification obligations set forth in this Agreement. Applicant's obligation to Indemnify the Indemnified Parties includes: (i) costs incurred in connection with any investigation or remediation requested by Port or required by any environmental regulatory agency and to restore the affected area to its condition before a release of Hazardous Materials by Applicant, its Contractors or Invitees; (ii) damages for diminution in the value of the Facility; (iii) damages for the loss or restriction on use of rentable or usable space or of any amenity of the Facility; (iv) damages arising from any adverse impact on marketing the space; (v) sums paid in settlement of Claims, including fines and penalties; (vi) natural resource damages; and (vi) attorneys' fees, consultant fees, expert fees, court costs, and all other litigation, administrative or other judicial or quasi-judicial proceeding expenses. If Port pays any costs within the scope of this section, Applicant must reimburse Port for Port's costs, plus interest, within thirty (30) days after Port's payment demand. The Indemnified Parties shall not be liable for any damage to persons or property as a result of the use, misuse or failure of any equipment used by Applicant, or any of its Contractors or Invitees, even though such equipment is furnished, rented or loaned by Port unless such damage to persons or property is attributable solely to the willful misconduct or gross negligence of the Indemnified Parties.

Notwithstanding any other provision of this Agreement, in no event shall the Indemnified Parties be liable, regardless of whether any Claim is based on contract or tort, for any special, consequential, indirect or incidental damages, including, but not limited to, lost profits, arising out of or in connection with this Agreement or the services performed in connection with this Agreement.

The provisions of this indemnity section shall supersede any contrary rules, regulations or provisions of the Tariff, and shall survive the departure of the vessel(s).

"**Claims**" means all liabilities, injuries, losses, costs, claims, demands, rights, causes of action, judgments, settlements, damages, liens, fines, penalties and expenses, including without limitation, direct and vicarious liability of any kind for money damages, compensation, penalties, liens, fines, interest, attorneys' fees, costs, equitable relief, mandamus relief, specific performance, or any other relief.

8. DAMAGE TO PORT PROPERTY.

Applicant shall be responsible for any and all damage, other than normal wear and tear, incurred during the Term hereof which arises out of or in connection with Applicant's, its Contractors' and Invitees' use of the Berth or Facility. If Applicant damages the Berth or Facility, Applicant shall take immediate steps to mitigate the damage to prevent injury or further damage. Applicant shall notify Port of such damage and Applicant shall inform Port of the mitigating action it will take or has taken. Applicant shall repair, or cause to be repaired, such damage after (i) receiving Port approval of the design, plans and specifications, if any, through the building permit process, (ii) receiving approval from Port of the contractor, (iii) obtaining all necessary regulatory approvals, and (iv) complying with any other reasonable requirements of Port. Port may in its discretion repair any such damage at the sole cost and expense of Applicant, and Applicant shall pay such costs with thirty (30) days after notice thereof.

9. ENVIRONMENTAL PROTECTION AND HAZARDOUS MATERIALS.

9.1. Applicant must comply with the following operational requirements:

Clean spills and releases of liquids / fluids immediately and completely upon discovery including removal and proper disposal of all absorbent materials.

Properly manage and dispose of hazardous waste.

Maintain spill kits to respond to releases of Hazardous Materials. Spill kit contents shall include:

Instructions for use

Absorbent spill pads and / or socks

Absorbent material (e.g., solvent absorbent, vermiculite, kitty litter, etc.)

Hydrophobic mop (i.e., a mop that absorbs oil, but not water)

Safety gloves (that are appropriate for oils, and other petroleum)

5 gallon bucket/drum with lid

Hazardous Waste Labels

9.2. Neither Applicant nor its Contractors or Invitees, shall handle in, on or about the Berth or Facility any Hazardous Material without the prior written consent of Port, which consent shall not be unreasonably withheld so long as Applicant demonstrates to Port's reasonable satisfaction that such Hazardous Material is necessary to Applicant'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 Facility. Notwithstanding the foregoing, Applicant may handle at the Facility materials in such limited amounts as are customarily used for maritime berthing and stevedoring purposes so long as such handling is at all times in full compliance with all Environmental Laws.

9.3. Applicant shall not be compelled by the Port to handle any Hazardous Materials of any kind. However, should Hazardous Materials be introduced on the Facility for handling by the Applicant, Applicant shall handle all Hazardous Materials, including cargo, introduced on the Facility during the term of this Agreement in compliance with all Laws at its sole cost and expense. Applicant shall not be responsible for the safe handling of any Hazardous Material introduced on the Facility during the term of this Agreement by City or Port or their Contractors. Applicant shall protect its employees and the general public in accordance with all applicable laws on Hazardous Materials. Port may from time to time request and Applicant shall be obligated to provide adequate information for Port to determine that the Hazardous Materials are handled in a manner that complies with all Laws. Port shall have the right to inspect the vessel and the Facility for Hazardous Materials at reasonable times.

9.4. Applicant, at its sole cost and expense, shall remediate any and all releases of Hazardous Materials introduced on the Facility by Applicant, its Contractors or Invitees, including without limitation any Hazardous Material that has been released into the environment due to Applicant's, its Contractors' or Invitees' acts or omissions. Within fifteen (15) days of Port's request, Applicant must submit and obtain Port's approval of a remediation work plan, whether or not required under Environmental Laws. Applicant must begin remediation

immediately following Port's approval of the work plan and continue diligently until remediation is complete, as determined by Port, in its sole discretion. If Environmental Laws governing remediation require a remedial action plan, Applicant must provide a draft of its plan to Port for comment and approval before submittal to the appropriate environmental regulatory agency. In all situations relating to handling or remediating Hazardous Materials, Applicant must take all actions that are reasonably necessary in Port's sole judgment to protect the value of the Facility, such as obtaining environmental regulatory approvals related to Hazardous Materials and taking measures to remedy any deterioration in the condition or diminution of the value of any portion of the Facility in any manner related directly or indirectly to Hazardous Materials.

Port shall have the right, but not the obligation, to conduct at Applicant's cost, an inspection and audit of the Facility for the purpose of identifying Hazardous Materials existing on the Facility required to be remediated by Applicant. Port's failure to conduct an audit or to detect conditions if an audit is conducted shall not be deemed to be a release of any liability for environmental conditions subsequently determined to be Applicant's responsibility under this Agreement. If Applicant fails to comply with this provision, Port may perform the remediation at Applicant's expense and Applicant shall immediately reimburse Port therefor.

9.5. Environmental Condition Notification Requirements. Applicant shall immediately notify Port in writing of any release or discharge of any Hazardous Materials on or from the vessel or Facility, whether or not the release is of quantities that would require reporting of such releases to a Regulatory Agency under applicable law. Applicant shall also notify Port in writing of, and shall contemporaneously provide Port with a copy of:

(a) Any written notice of release of Hazardous Materials in, on, or about the Facility that is provided by Applicant to a regulatory agency;

(b) Any notice of a violation, or a potential or alleged at the Berth or in, on or about the Facility, of any Environmental Law that is received by Applicant from any regulatory agency;

(c) Any inquiry, investigation, enforcement, cleanup, removal, or other action that is instituted or threatened by a regulatory agency against Applicant and that relates to the release or discharge of Hazardous Materials, at the Berth or in, on or from the Facility.

(d) Any claim that is instituted or threatened by any third party against Applicant and that relates to any release or discharge of Hazardous Materials at the Berth or on or from the Facility; and,

(e) Any notice of the loss of any environmental operating permit by Applicant.

9.6. Failure to comply with this Section 9 shall constitute a material default of this Agreement. In the event of such default, Port shall have all rights available under this Agreement and at law or equity including, without limitation, the right to either: (a) terminate this Agreement and collect damages Port incurs as a result of such default, including, without limitation, remediation costs incurred by Port; or (b) continue this Agreement and require Applicant to Remediate such Hazardous Materials at the Applicant's sole cost and expense.

9.7. Prohibition on Discharges Into San Francisco Bay.

(a) Applicant shall not discharge or allow to be discharged incidental or intentional ballast water.

(b) Applicant shall not discharge or allow to be discharged, or store materials that may be discharged, any pollutants including without limitation: sewage, gray water, hazardous waste, solid waste, fuel, oil-related substances, bilge water, spirits, flammable liquid, crude petroleum, coal tar, refuse or residuary product of coal tar, petroleum, asphalt, bitumen, carbonaceous material, Hazardous Material, or any other substance that has the potential to adversely affect the environment.

"**Environmental Laws**" means any Laws relating to Hazardous Material (including its Handling, Release, or Remediation) or to human health and safety, industrial hygiene, or environmental conditions in the environment, including structures, soil, air, bay water, and groundwater, and any environmental mitigation measure adopted under Environmental Laws affecting any portion of the Facility.

"**Hazardous Material**" means any substance, waste, or material that is now or in the future designated by any regulatory agency to be capable of posing a present or potential risk of injury to human health or safety, the environment, or property. This definition includes anything designated or defined in any Environmental Law as hazardous, hazardous substance, hazardous waste, toxic, pollutant, or contaminant; any asbestos; and other

naturally-occurring substances such as petroleum, including crude oil or any fraction, and natural gas or natural gas liquids.

9.8. The obligations of this Section 9 shall survive the expiration or termination of this Agreement.

10. ALCOHOL AND DRUG-FREE WORKPLACE.

Port reserves the right to deny access to, or require Applicant to remove from, Port facilities personnel of Applicant or its subcontractor who Port has reasonable grounds to believe has engaged in alcohol abuse or illegal drug activity which in any way impairs Port's ability to maintain safe work facilities or to protect the health and well-being of Port employees and the general public. Port shall have the right of final approval for the entry or re-entry of any such person previously denied access to, or removed from, Port facilities. Illegal drug activity means possessing, furnishing, selling, offering, purchasing, using or being under the influence of illegal drugs or other controlled substances for which the individual lacks a valid prescription. Alcohol abuse means possessing, furnishing, selling, offering, or using alcoholic beverages, or being under the influence of alcohol.

11. TAXES AND ASSESSMENTS.

Applicant shall pay the proper authority any and all taxes, assessments and similar charges on the Berth in effect at the time this Application is executed, or which become effective thereafter, including all taxes levied or assessed upon the possession, use or occupancy, as distinguished from the ownership to the of the Berth. Applicant, on behalf of itself and any permitted successors and assigns, recognizes and understands that this Application may create a possessory interest subject to property taxation and that Applicant may be subject to the payment of such taxes.

12. DEFAULT BY APPLICANT; REMEDIES.

The occurrence of any one or more of the following events shall constitute a default by Applicant: (a) failure to pay when due any fees and/or all other charges due; (b) failure to perform any other provisions of this Agreement, if the failure to perform is not cured within twenty-four (24) hours after Port has given notice to Applicant; or (c) failure to provide any report required by this Agreement or the Tariff.

Upon default by Applicant, Port shall, without further notice or demand of any kind to Applicant or to any other person, and in addition to any other remedy Port may have under this Agreement and at law or in equity, have the ability to immediately terminate this Agreement and Applicant's right to use the Berth or Facility. Upon notice of any such termination, Applicant shall immediately vacate and discontinue its use of the Berth and Port may take any and all action to enforce Applicant's obligations.

13. LITIGATION. The prevailing party in any action or proceeding (including any cross complaint, counterclaim or bankruptcy proceeding) against the other party by reason of a claimed default, or otherwise arising out of a party's performance or alleged non-performance under this Agreement, shall be entitled to recover from the other party its costs and expenses of suit, including but not limited to, reasonable attorneys' fees, which fees shall be payable whether or not such action is prosecuted to judgment. "Prevailing party" within the meaning of this Section shall include, without limitation, a party who substantially obtains or defeats, as the case may be, the relief sought in the action, whether by compromise, settlement, judgment or the abandonment by the other party of its claim or defense. Attorneys' fees under this Section shall include attorneys' fees and all other reasonable costs and expenses incurred in connection with any appeal. For purposes of this Agreement, reasonable fees of attorneys of the City's Office of the City Attorney shall be based on the fees regularly charged by private attorneys with an equivalent number of years of professional experience (calculated by reference to earliest year of admission to the bar of any state) who practice in San Francisco in law firms with approximately the same number of attorneys as employed by the Office of the City Attorney.

14. LIMITATION ON DAMAGES. Applicant agrees that Applicant will have no recourse with respect to, and Port shall not be liable for, any obligation of Port under this Agreement, or for any Claim based upon this Agreement, except to the extent of the fair market value of Port's fee interest in the Berth (as encumbered by this Agreement). Applicant's execution and delivery hereof and as part of the consideration for Port's obligations hereunder Applicant expressly waives all such liability.

15. NON-LIABILITY OF CITY OFFICIALS, EMPLOYEES AND AGENTS. No elective or appointive board, commission, member, officer, employee or other Agent of City and/or Port shall be personally liable to Applicant, its successors and assigns. in the event of any default or breach by City and/or Port or for any amount which may become due to Applicant. its successors and assigns, or for any obligation of City and/or Port under this Agreement.

Under no circumstances shall Port, City, or their respective agents be liable under any circumstances for any consequential, incidental or punitive damages.

16. AUTHORITY. Each person executing this Agreement on behalf of Applicant does hereby covenant and warrant that Applicant is a duly authorized and existing entity, that Applicant has and is qualified to do business in California, that Applicant has full right and authority to enter into this Agreement, and that each and all of the persons signing on behalf of Applicant, including without limitation a ship's agent that is not the owner of the vessel authorized under this Agreement has the requisite power and authority to execute and deliver this Agreement and to bind Applicant to carry out and perform all of the terms and covenants of this Agreement. Upon Port's request, Applicant shall provide Port with evidence reasonably satisfactory to Port confirming the foregoing representations and warranties.

17. MISCELLANEOUS.

(a) This Agreement is governed by, and shall be construed and interpreted in accordance with, the Laws of the State of California and City's Charter. Port and Applicant hereby irrevocably consent to the jurisdiction of and proper venue in the Superior Court for the City and County of San Francisco.

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

(c) No failure by Port to insist upon the strict performance of any obligation of Applicant under this Agreement 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, and no acceptance of full or partial payment of fees during the continuance of any such breach shall constitute a waiver of such breach or of Port's rights to demand strict compliance with such term, covenant or condition. Port's consent to or approval of any act by Applicant requiring Port's consent or approval shall not be deemed to waive or render unnecessary Port's consent to or approval of any subsequent act by Applicant. Any waiver by Port of any default must be in writing and shall not be a waiver of any other default (including any future default) concerning the same or any other provision of this Agreement.

(d) Port is not, and none of the provisions in this Agreement shall be deemed to render Port, a partner in Applicant's business, or joint venturer or member in any joint enterprise with Applicant. Neither party shall act as the agent of the other party in any respect hereunder. This Agreement is not intended nor shall it be construed to create any third party beneficiary rights in any third party.

(e) This Agreement does not create a bailment of the vessel its equipment or personal effects or of any vehicle.

18. PAYMENT OF FEES. Applicant guarantees the payment of all charges and fees associated with the berthing of the above-mentioned vessels in accordance with the Tariff and outlined herein:

1) Dockage _____ per 24hr period.
2) Area: Pier ____ berth located on: _____ linear feet of exterior dock space. No interior shed space is included in this Agreement.
3) Water service for the account of: _____
4) Phone service for the account of: _____
5) Electrical service for the account of: _____
6) Trash and Debris removal for the account of: _____
7) Other.

[REMAINDER OF PAGE LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the dates indicated below.

CITY AND COUNTY OF SAN FRANCISCO
A municipal corporation operating by and
through the SAN FRANCISCO PORT COMMISSION

By _____
Chief Wharfinger, Port of San Francisco

Date Executed: _____

APPLICANT NAME:

By _____
(sign name)

_____
(print name)

Its: _____

Date Executed: _____

(To Be Completed by Chief Wharfinger)

Application Received: _____ Assignment Made Effective: _____

Berth Assigned: _____

SCHEDULE 1

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 structures and reconstructing or repairing existing structures on San Francisco's 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 an area that is at risk from a flood of this magnitude as a special flood hazard area ("SFHA").

On September 21, 2007, FEMA issued a preliminary FIRM of San Francisco tentatively identifying 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 Port 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.

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. The San Francisco Board of Supervisors has adopted 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 (as amended, the "Floodplain Ordinance"). The Floodplain Ordinance imposes requirements on any new construction or substantial improvement of structures in city-designated flood zones that are 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.

FEMA is performing detailed coastal engineering analyses and mapping of the San Francisco Bay shoreline in accordance with FEMA's February 2005 Pacific guidelines for new coastal studies. The San Francisco Bay Area Coastal Study includes both regional hydrodynamic and wave modeling of the San Francisco Bay, as well as detailed onshore coastal analysis used to estimate wave runup and overtopping, as well as overland wave propagation. These onshore analyses will form the basis for potential revisions to the Base Flood Elevations (BFEs) and Special Flood Hazard Areas (SFHAs) within the coastal areas. The new coastal study will revise and update the flood and wave data based on current conditions within the coastal Flood Insurance Study reports and Flood Insurance Rate Maps for each of the nine counties. For San Francisco, the preliminary FIRMs will replace the preliminary FIRMs issued in 2007. FEMA issued preliminary FIRMs for San Francisco in November 2015, with an intended effective date in mid-2016.

The federal 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. FEMA also publishes "Answers to Questions About the NFIP" and FEMA Publication 186 entitled "Mandatory Purchase of Flood Insurance Guidelines." Additional information on this matter can be found on the City's and FEMA's websites at the following links: http://www.fema.gov/plan/prevent/fhm/index.shtm; http://www.r9map.org/Docs/Oct13-SanFranCo-FEMA_Factsheet_rev%20(2).pdf; http://www.fema.gov/business/nfip/index.shtm; and http://www.sfgov.org.

SCHEDULE 2
SUBSTRUCTURE REPORT(S)

RAPID STRUCTURAL ASSESSMENT REPORT

Structure Type:	**SUPERSTRUCTURE**	**Work Order:**	5518
Facility Name:	Pier 80 West Stevedore Building	**FIN:**	1800OB1
Asset Number:	1800-BLDG4	**Facility Code:**	1800
Asset Activity:	STRUCTURE TWO YR INSPECTION	**Port Engineer:**	Duncan, Mr. Sherban A.
Inspection Number:	1800-BLDG4-1-2013	**Inspected By:**	AGS - Jasper Chau
Inspection Start Date:	2013/05/29 13:00:28	**Inspection End Date:**	2013/05/29 14:00:28
Purpose Of Inspection:	Periodic Inspection	**Lease Number:**	
Address:			
Year Built:			

Rating Criteria:
Green - Unrestricted use. May require some minor repair, or minimal barricading.
- Restricted use. May require further review, may require load limits, limiting access and barricading until repairs completed.
Red - Unsafe notice. Shall be barricaded to prevent public access and use.

Overall Rating: Green

Immediate Actions: N.A.
Required Repairs: N.A.
Load Limits: N.A.
Barricades: N.A.

Long Term Actions: N.A.
Detailed Structural/Geotechnical Evaluation Required: N.A.

Condition Assessment Summary

Condition	Yes	No	More Review Needed
1) Full or Partial Collapse		X	
2) Major building element damaged		X	
3) Severe Cracking of walls		X	
4) Parapet or falling hazard		X	
5) Severe ground movement present		X	
6) Other Hazard present		X	

Comments:

Sequence - 1
Description - Detailed Building Description (if available):
Comment - The building is a two-story wood/concrete structure currently used as an office. There are two entrances and two exits.

RAPID STRUCTURAL ASSESSMENT REPORT

Sequence - 2
Description - Comments
Comment - The exterior siding exhibited damage and the acoustical tile ceiling exhibited cracking at localized areas. There is some water intrusion in the ceiling.

Attachments:
Appendix A - Facility Data
Appendix B - Photographs and Structural Rating Map

RAPID STRUCTURAL ASSESSMENT REPORT

Appendix A - Facility Data

Name of Facility: Pier 80 West Stevedore Building
Facility Code: 1800
Address:
Lease Number(s):

Building Data

Building Structure FIN: 1800OB1
No. of stories: 2
Support over water: No
Support over land: Yes
Construction Type (Wood, Concrete, Steel, Masonry or Combination): Wood, Concrete and Combination
Occupancy Type (Commercial, Office, Industrial, Assembly, Residential, Emergency Service, etc.): Commercial

Detailed Building Description (If available):

Substructure/Foundation Data:

Substructure FIN:
Piling Type:
Substructure Deck Type:
Apron Type:

Detailed Substructure Description (If available):

Appendix B - Photographs and Structural Rating Map



Photo 1. View of the hallway near the west entrance

Appendix B - Photographs and Structural Rating Map



Photo 2. View of the north elevation

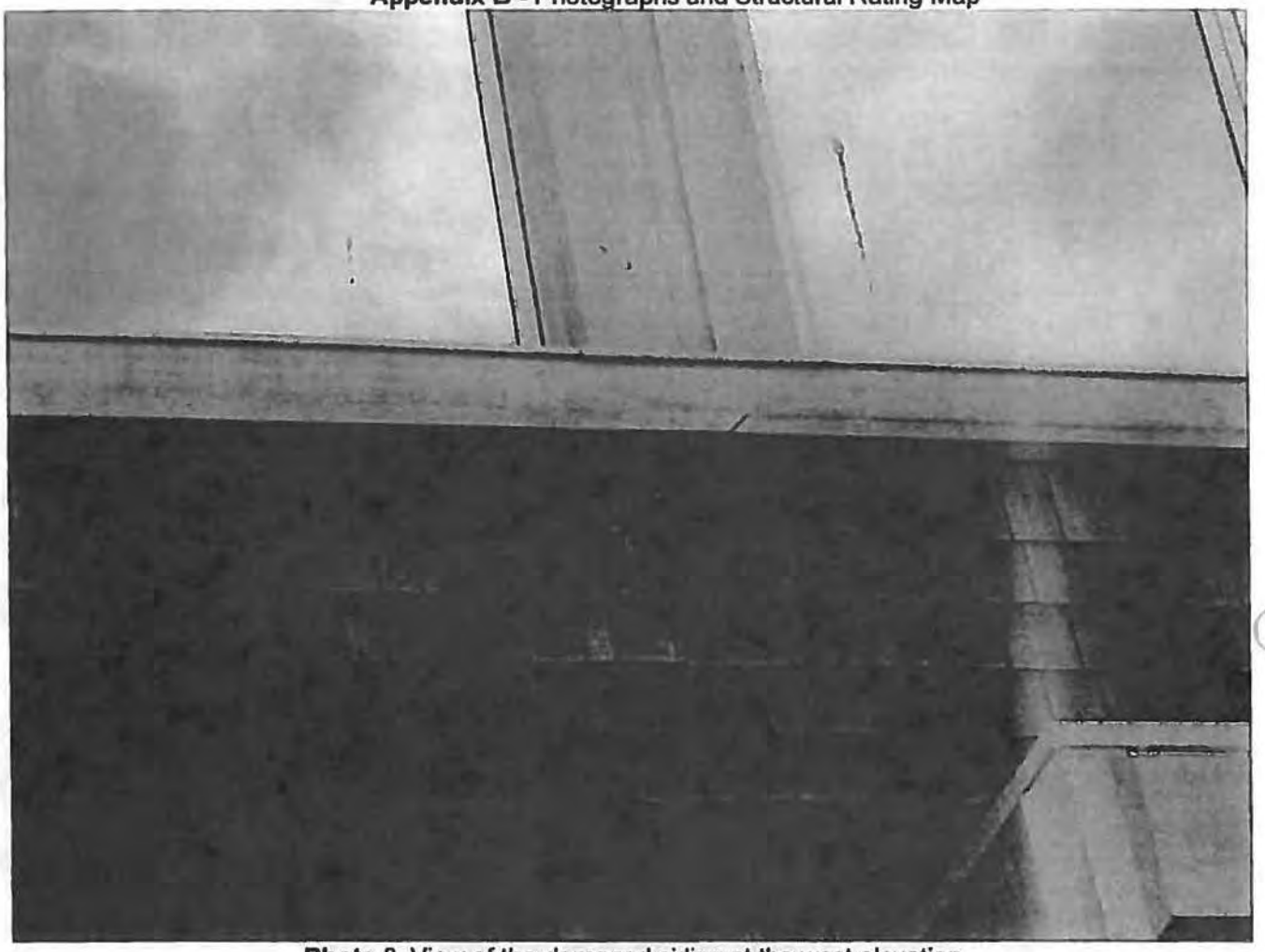


Photo 3. View of the damaged siding at the west elevation

Appendix B - Photographs and Structural Rating Map

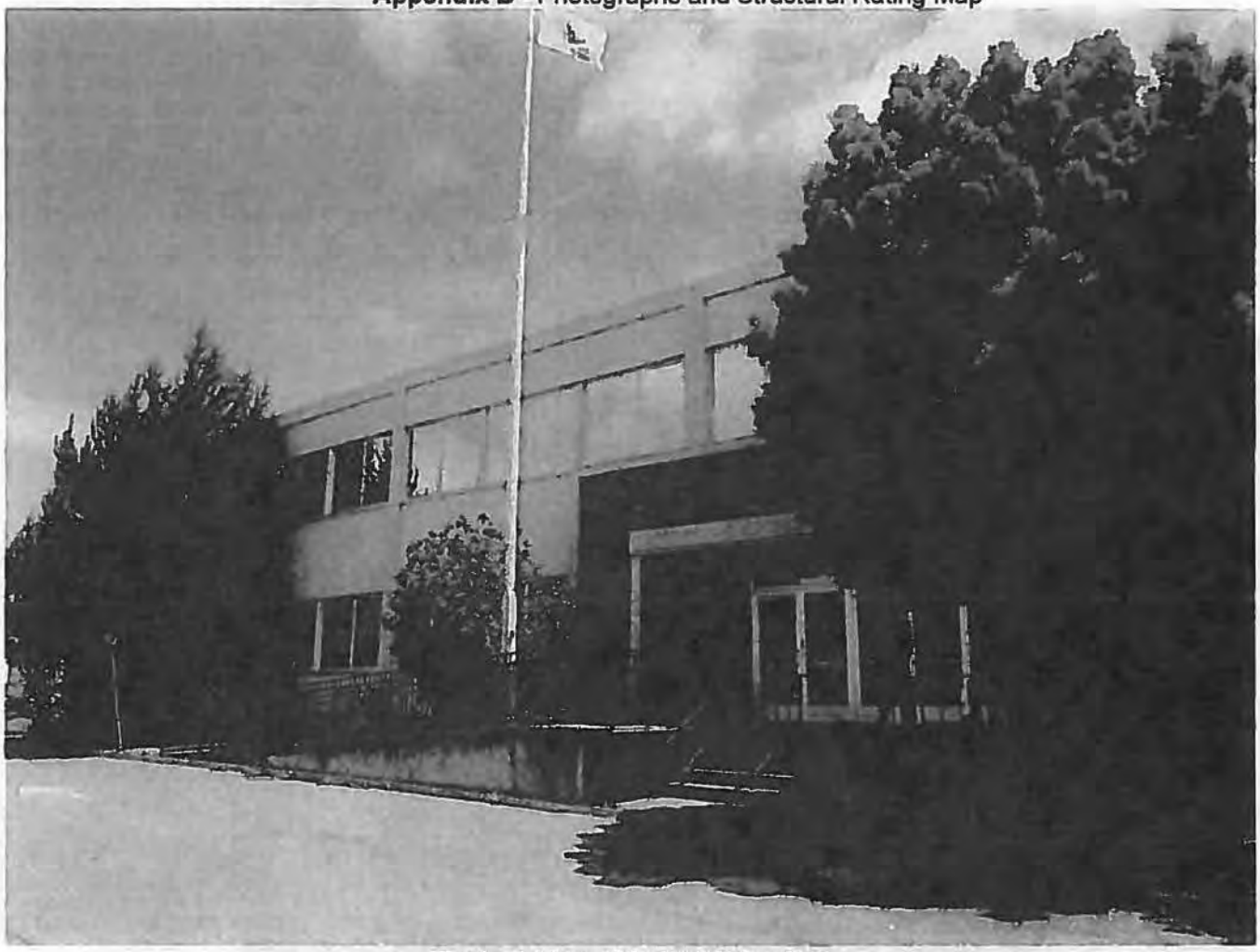


Photo 4. View of the west elevation

Appendix B - Photographs and Structural Rating Map



Photo 5. View of the interior of the second floor MUNI office space

Appendix B - Photographs and Structural Rating Map

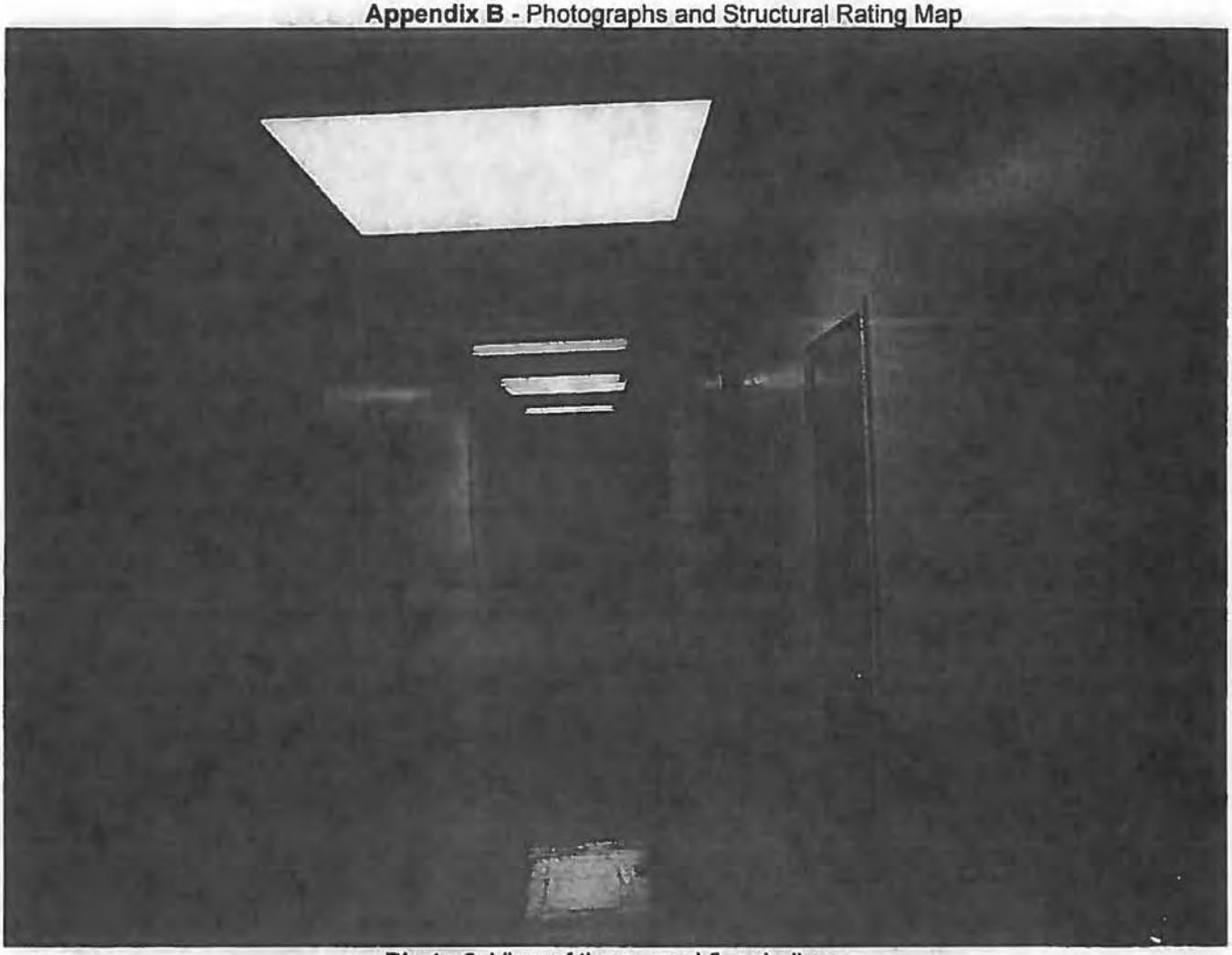


Photo 6. View of the second floor hallway

Appendix B - Photographs and Structural Rating Map

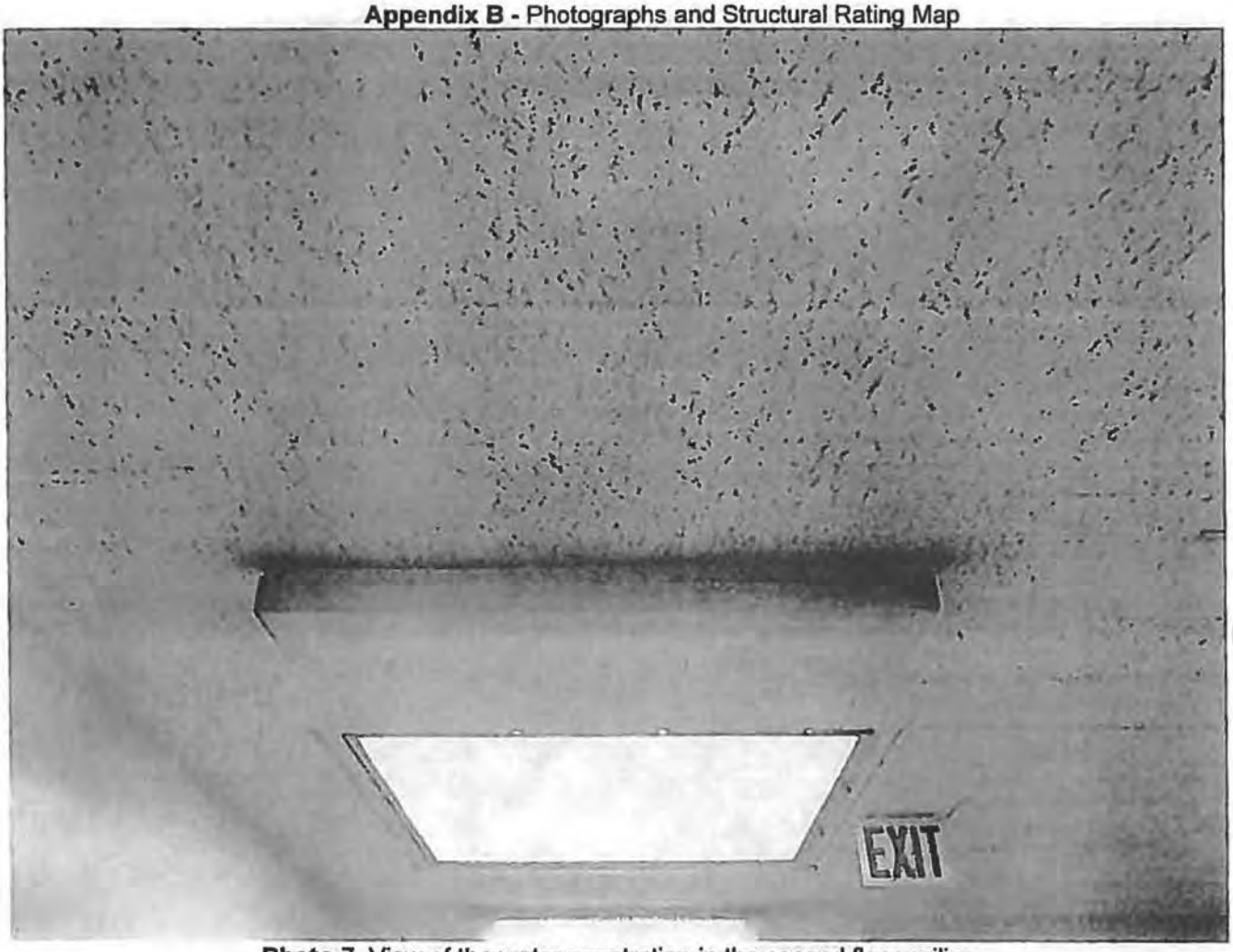


Photo 7. View of the water penetration in the second floor ceiling

Appendix B - Photographs and Structural Rating Map



Photo 8. View of the interior Army Street entrance

Appendix B - Photographs and Structural Rating Map



Photo 9. View of the interior first floor hallway

Appendix B - Photographs and Structural Rating Map



Photo 10. View of the stairs at the west entrance

Appendix B - Photographs and Structural Rating Map

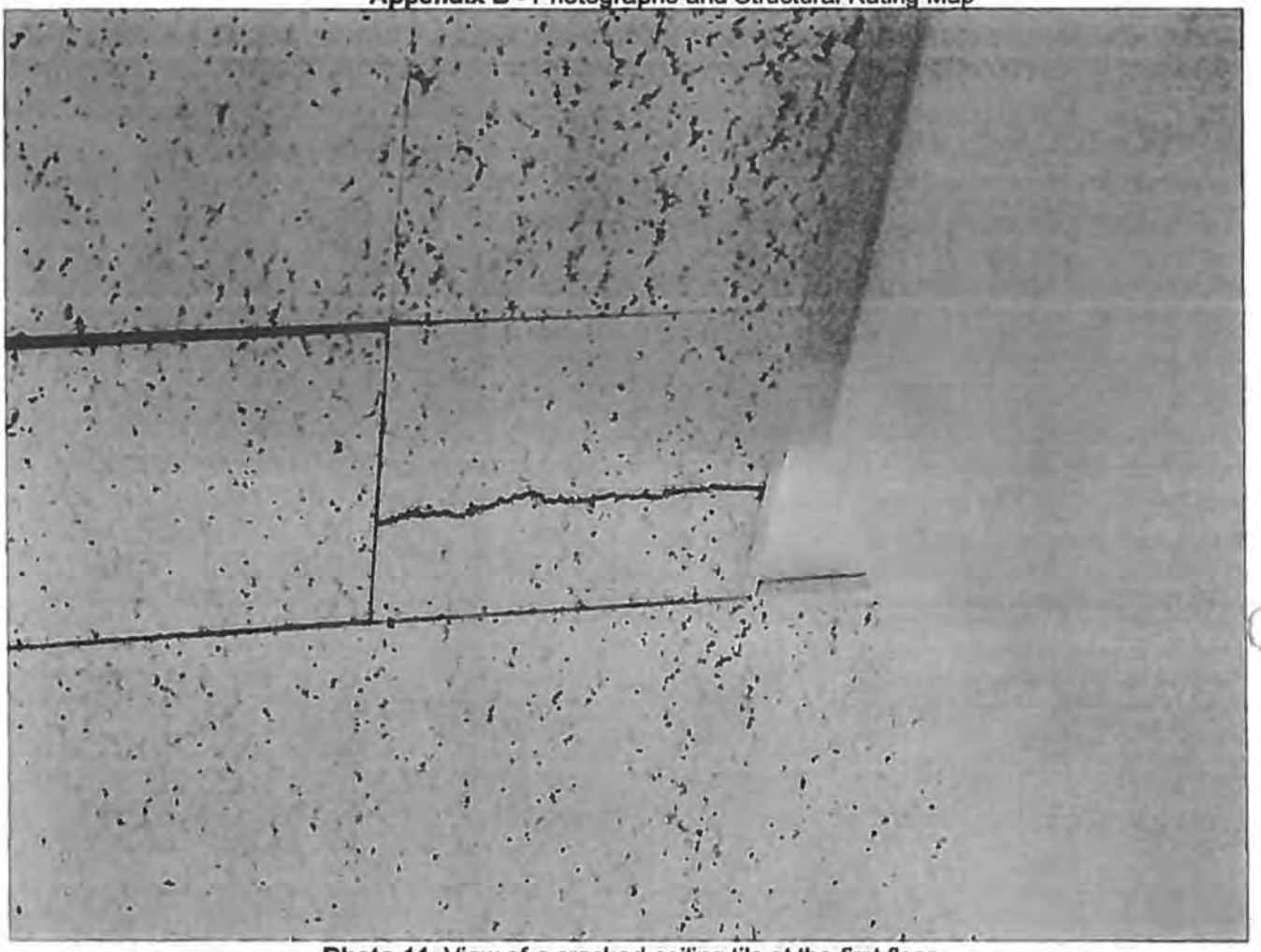


Photo 11. View of a cracked ceiling tile at the first floor

Appendix B - Photographs and Structural Rating Map

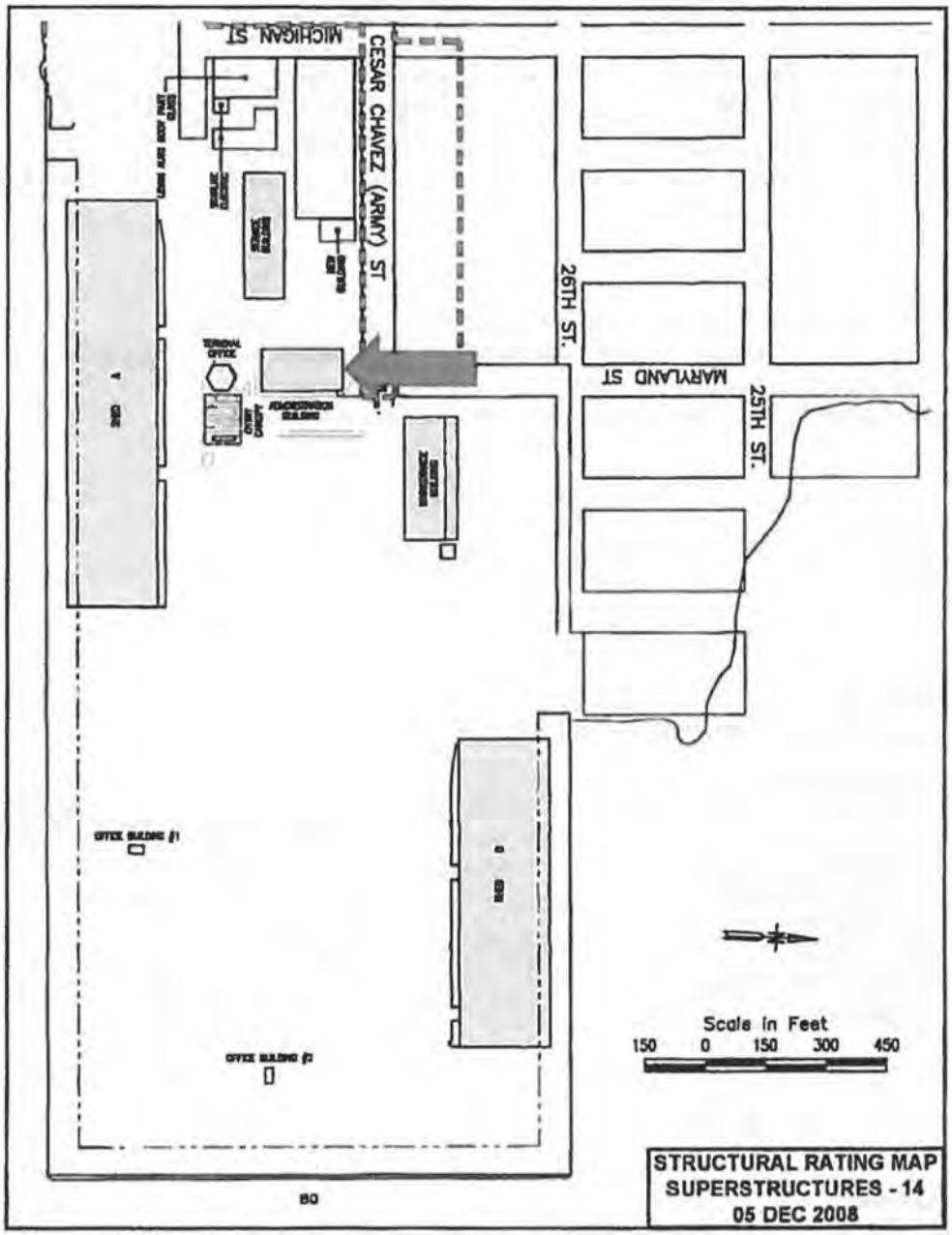


Photo 12. Structural rating map

RAPID STRUCTURAL ASSESSMENT REPORT

Structure Type:	**SUPERSTRUCTURE**	**Work Order:**	5509
Facility Name:	Pier 80 Shed A	**FIN:**	1800SHA
Asset Number:	1800-SHEDA	**Facility Code:**	1800
Asset Activity:	STRUCTURE TWO YR INSPECTION	**Port Engineer:**	Duncan, Mr. Sherban A.
Inspection Number:	1800-SHEDA-1-2013	**Inspected By:**	AGS - Jeffrey Yip
Inspection Start Date:	2013/05/30 14:15:48	**Inspection End Date:**	2013/05/30 16:00:48
Purpose Of Inspection:	Periodic Inspection	**Lease Number:**	
Address:			
Year Built:			

Rating Criteria:
Green - Unrestricted use. May require some minor repair, or minimal barricading.
- Restricted use. May require further review, may require load limits, limiting access and barricading until repairs completed.
Red - Unsafe notice. Shall be barricaded to prevent public access and use.

Overall Rating: Green

Immediate Actions: N.A.
Required Repairs: N.A.
Load Limits: N.A.
Barricades: N.A.

Long Term Actions: N.A.
Detailed Structural/Geotechnical Evaluation Required: N.A.

Condition Assessment Summary

Condition	Yes	No	More Review Needed
1) Full or Partial Collapse		X	
2) Major building element damaged		X	
3) Severe Cracking of walls			X
4) Parapet or falling hazard	X		
5) Severe ground movement present			X
6) Other Hazard present			X

Comments:

Sequence - 1
Description - Comments
Comment - There is minor cracking at the exterior concrete walls (south wall). There is damage in the exterior metal siding. The exterior north metal canopy is corroded. Recommend further evaluation of the canopy.

The fill material under the two-story wood frame office structure appears to have been undermined or the ground has subsided. The ground (fill) on the north side have settled significantly. The ground around the

column bases and pedestals has settled (more evidently on the north side). Recommend further evaluation of the ground settlement and foundations.

Sequence - 2
Description - Detailed Building Description (if available):
Comment - The building is a large industrial shed with metal framing and concrete pedestals. The floor slab is asphalt-paved. The roof system consists of steel trusses with metal roof deck with transluscent material. The metal walls sit on top of 4 feet tall concrete stem walls. There are roll up doors at almost every bay in the north and south elevations. The north loading dock has a metal canopy.

Attachments:
Appendix A - Facility Data
Appendix B - Photographs and Structural Rating Map

RAPID STRUCTURAL ASSESSMENT REPORT

Appendix A - Facility Data

Name of Facility: Pier 80 Shed A
Facility Code: 1800
Address:
Lease Number(s):

Building Data

Building Structure FIN: 1800SHA
No. of stories: 0
Support over water: Yes
Support over land: Yes
Construction Type (Wood, Concrete, Steel, Masonry or Combination): Steel
Occupancy Type (Commercial, Office, Industrial, Assembly, Residential, Emergency Service, etc.): Industrial

Detailed Building Description (If available):

Substructure/Foundation Data:

Substructure FIN: 1800SUB
Piling Type: Concrete
Substructure Deck Type: Concrete
Apron Type: Concrete and Wood

Detailed Substructure Description (If available): Concrete deck over concrete piles

Appendix B - Photographs and Structural Rating Map



Photo 1. View of the west elevation

Appendix B - Photographs and Structural Rating Map

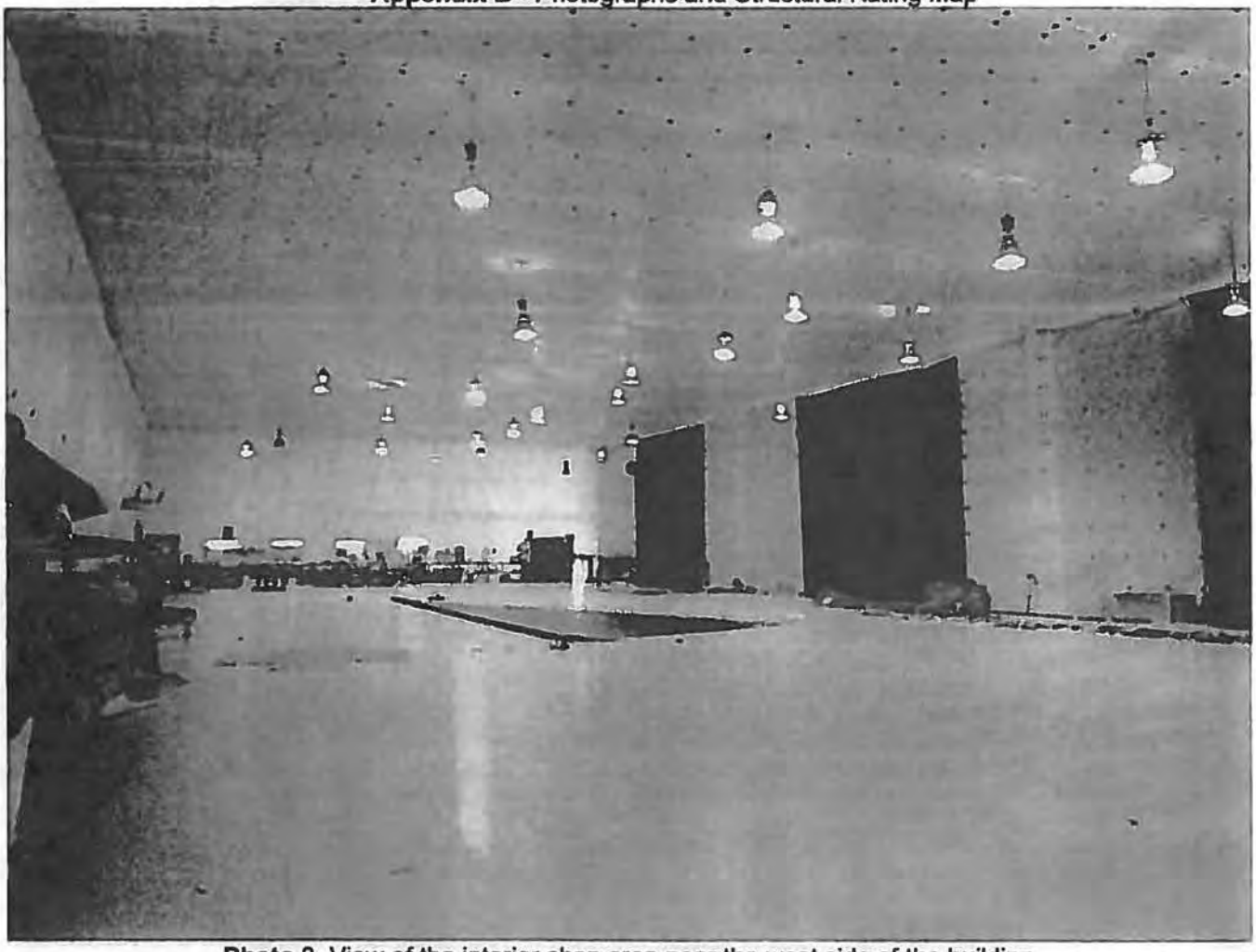


Photo 2. View of the interior shop area near the west side of the building

Appendix B - Photographs and Structural Rating Map

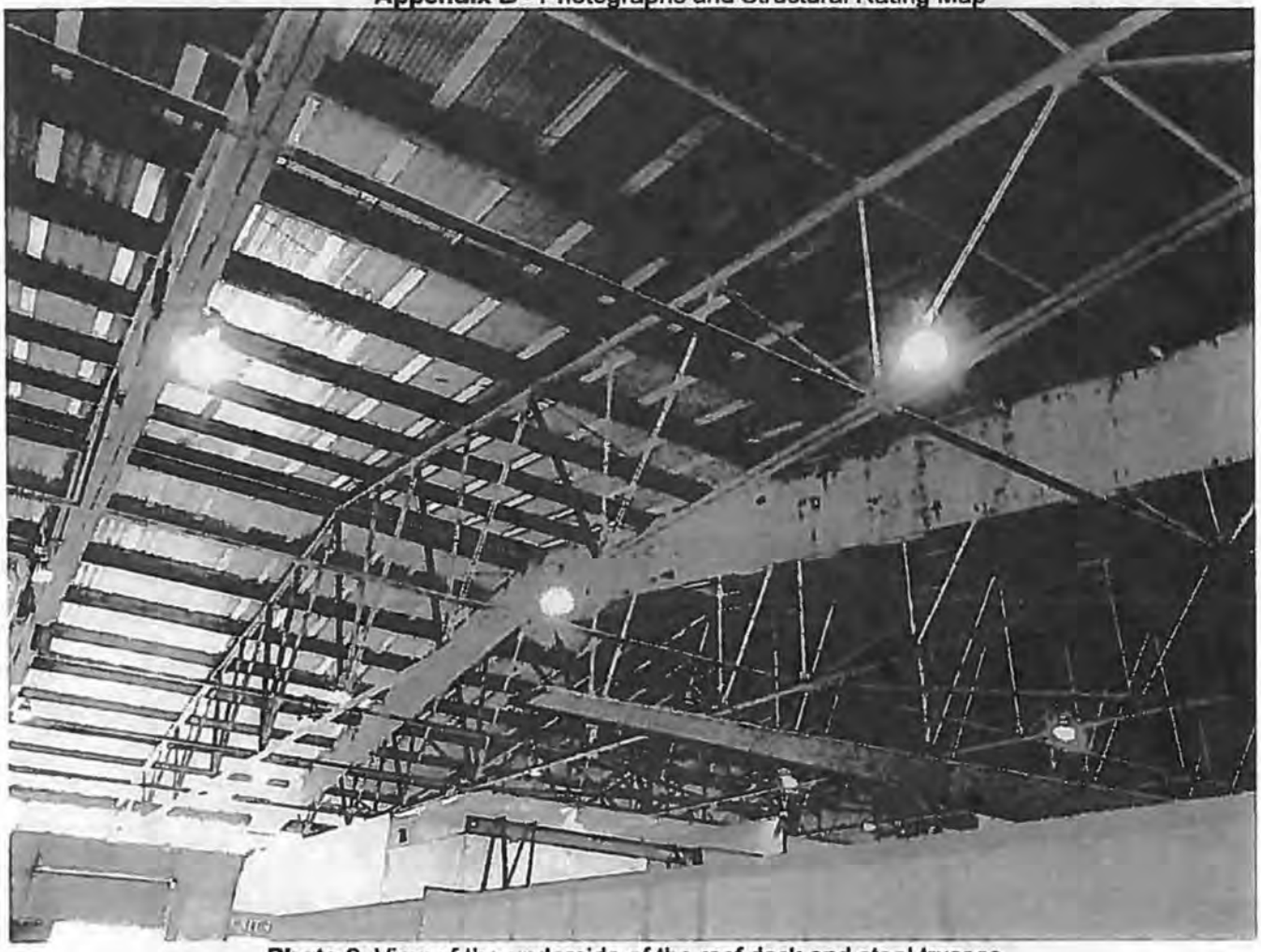


Photo 3. View of the underside of the roof deck and steel trusses

Appendix B - Photographs and Structural Rating Map

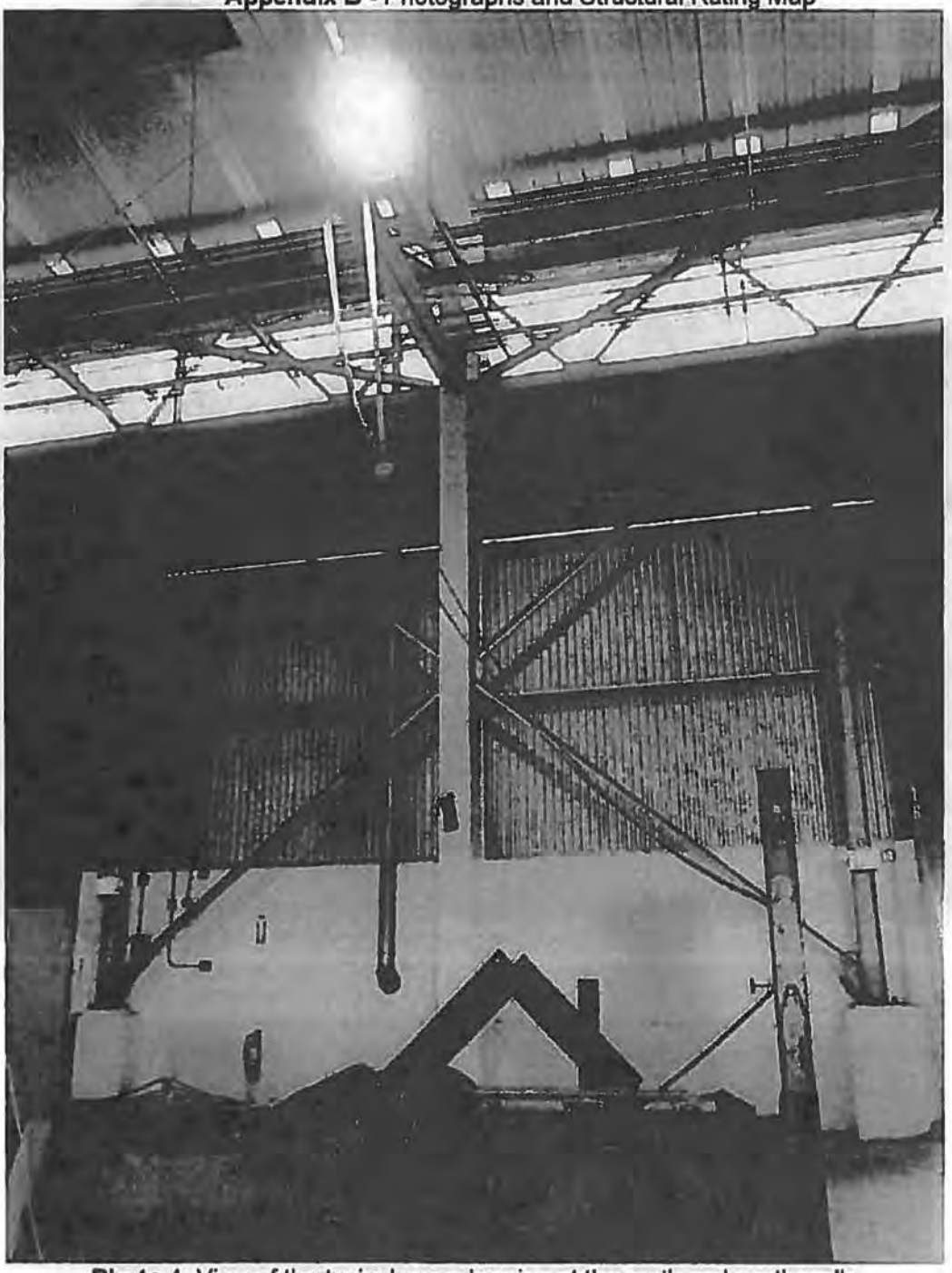


Photo 4. View of the typical cross-bracing at the north and south walls

Appendix B - Photographs and Structural Rating Map

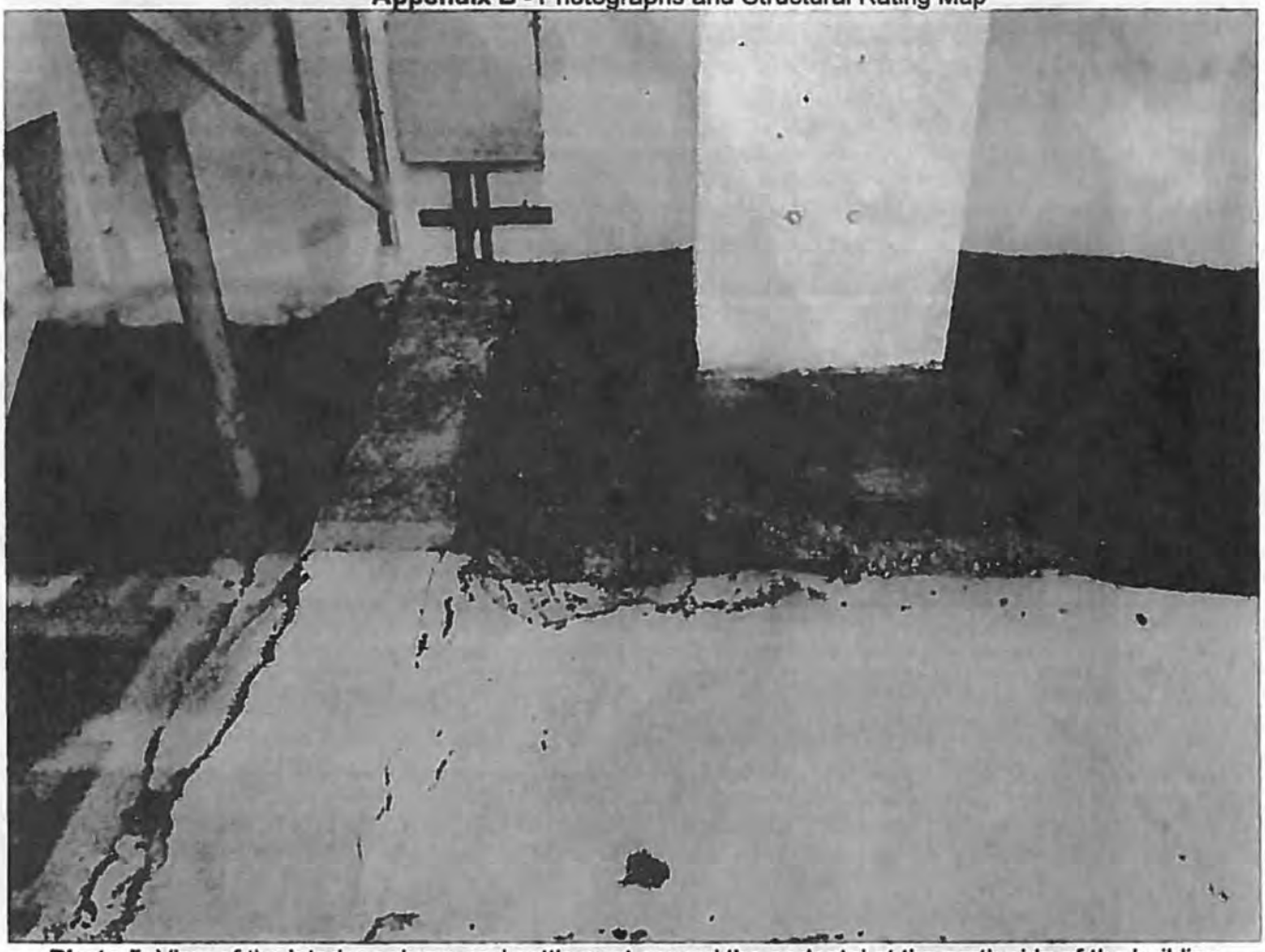


Photo 5. View of the interior column and settlement around the pedestal at the north side of the building

Appendix B - Photographs and Structural Rating Map

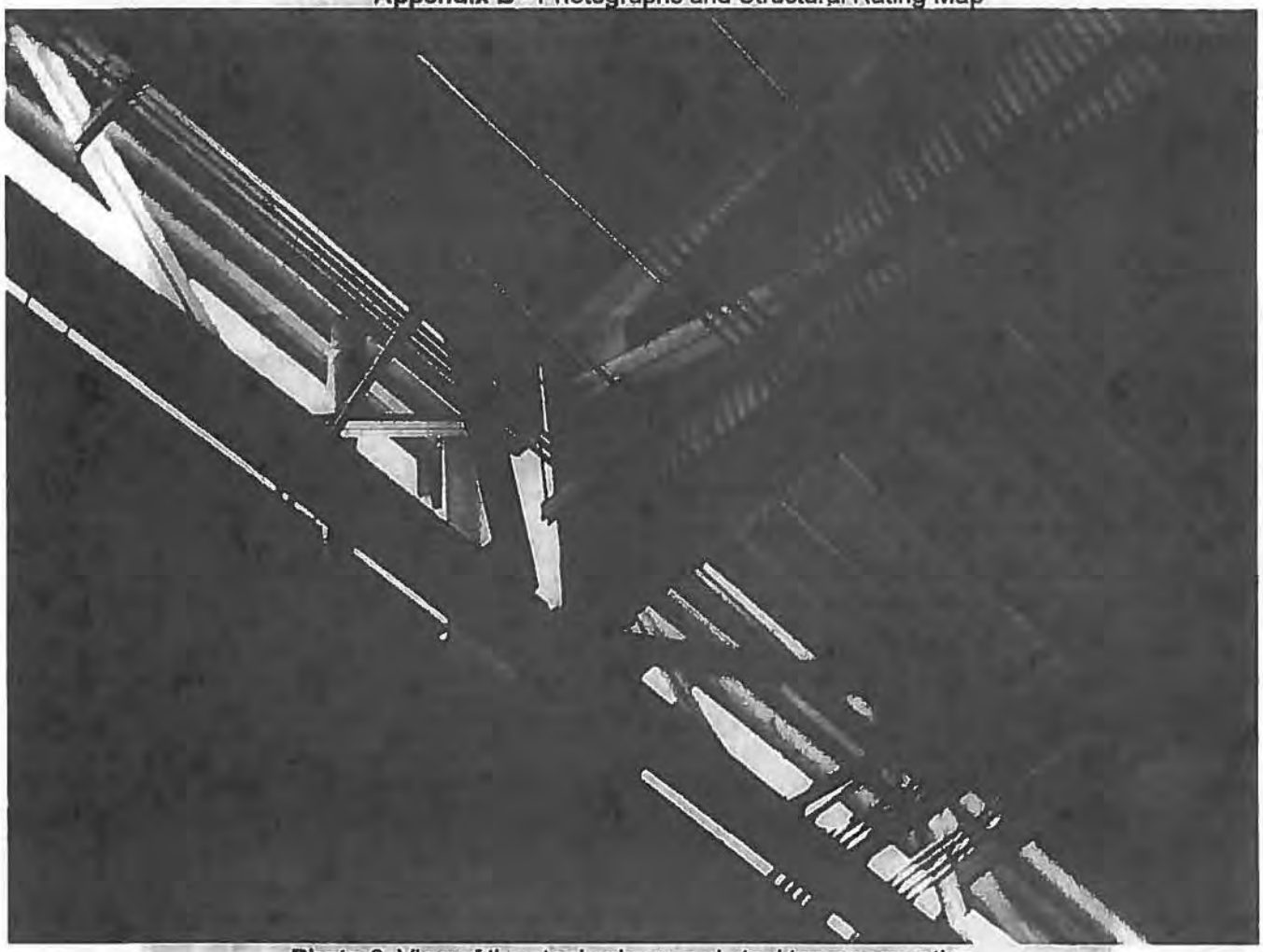


Photo 6. View of the steel column and steel truss connection

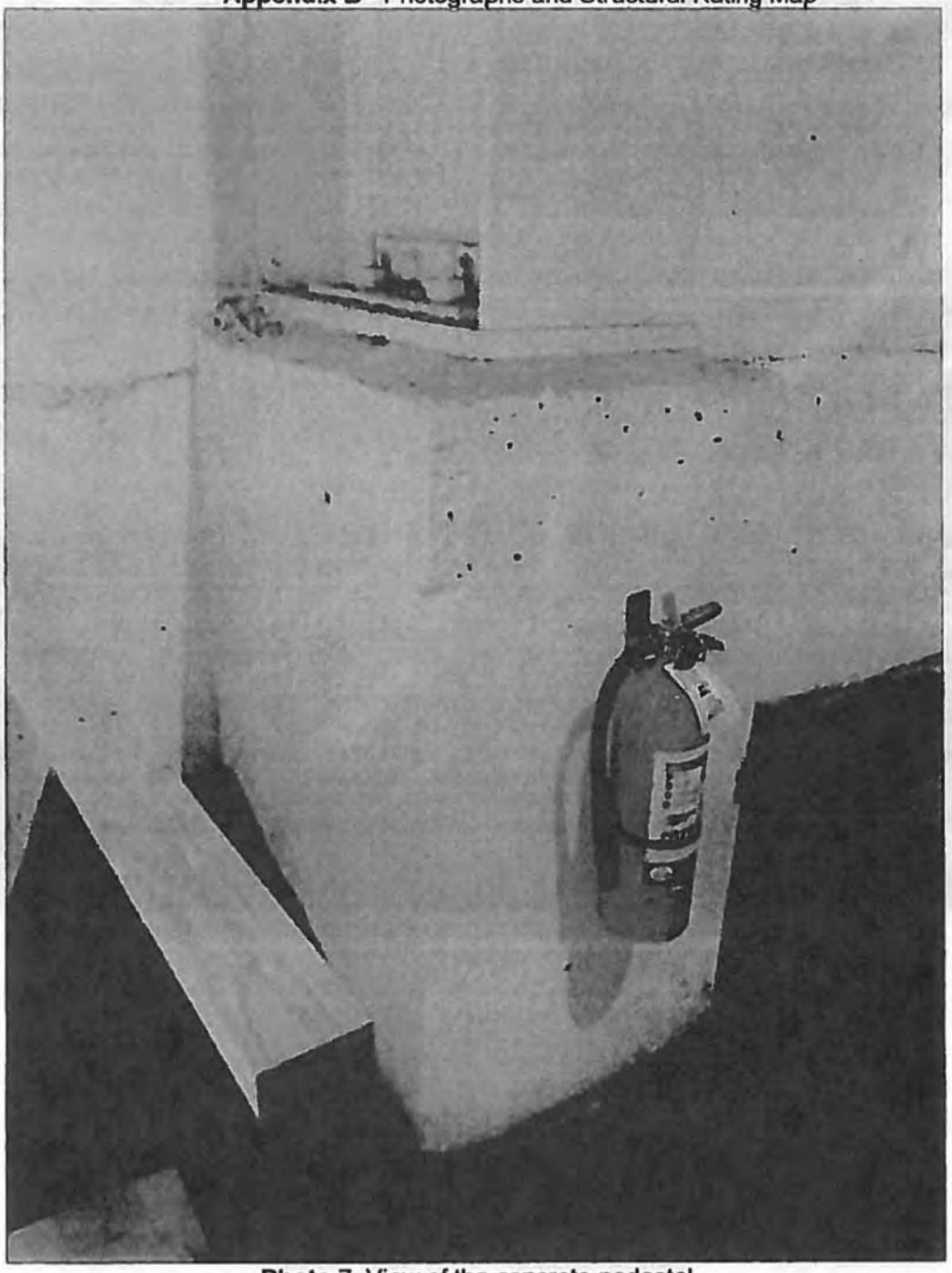


Photo 7. View of the concrete pedestal

Appendix B - Photographs and Structural Rating Map



Photo 8. View of the concrete pedestal base

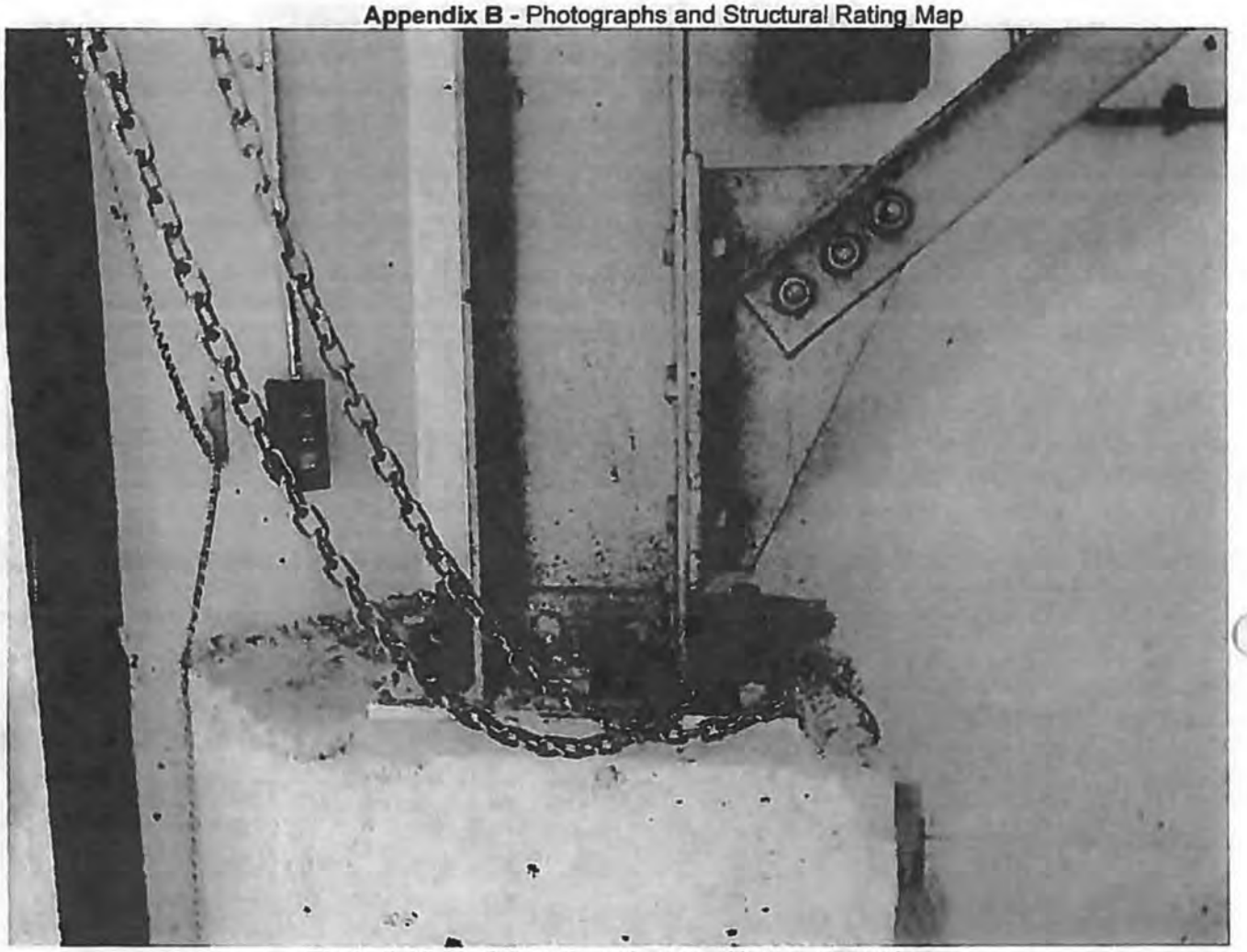


Photo 9. View of the column base and brace connection



Photo 10. View of the diagonal cracking in the concrete walls at the south side of the building

Appendix B - Photographs and Structural Rating Map



Photo 11. View of the damaged metal siding at the south side of the building

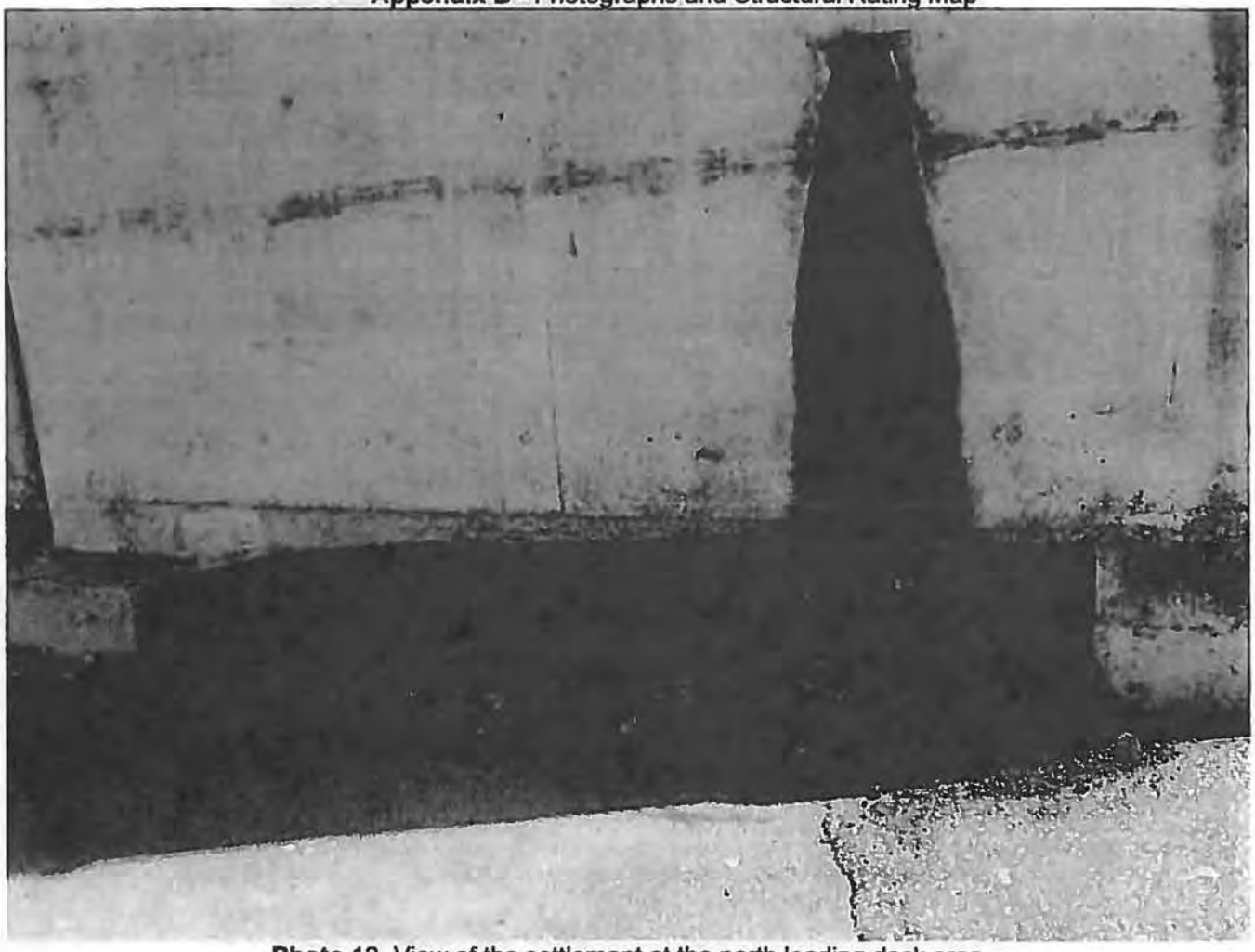


Photo 12. View of the settlement at the north loading dock area

Appendix B - Photographs and Structural Rating Map



Photo 13. View of the south elevation

Appendix B - Photographs and Structural Rating Map

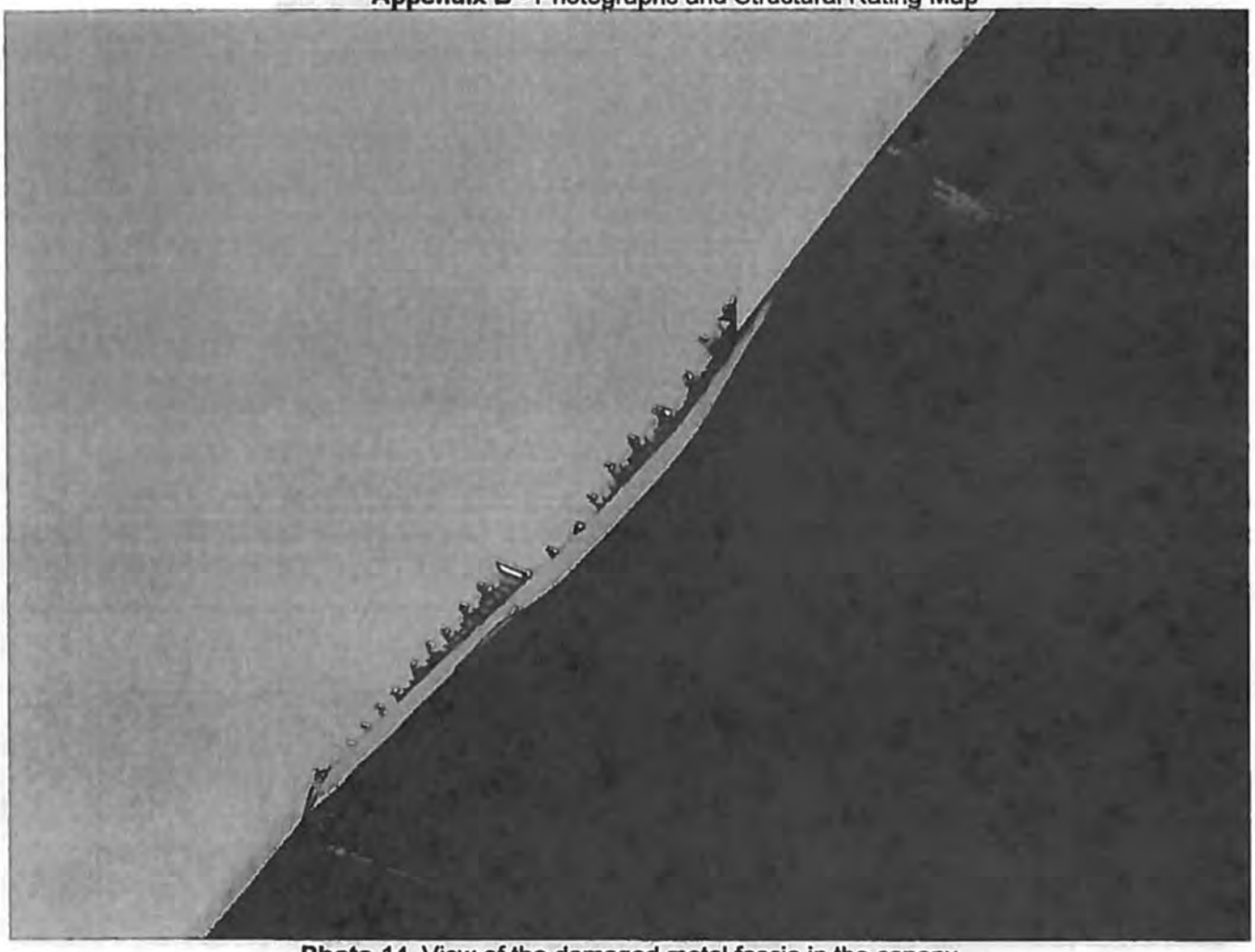


Photo 14. View of the damaged metal fascia in the canopy

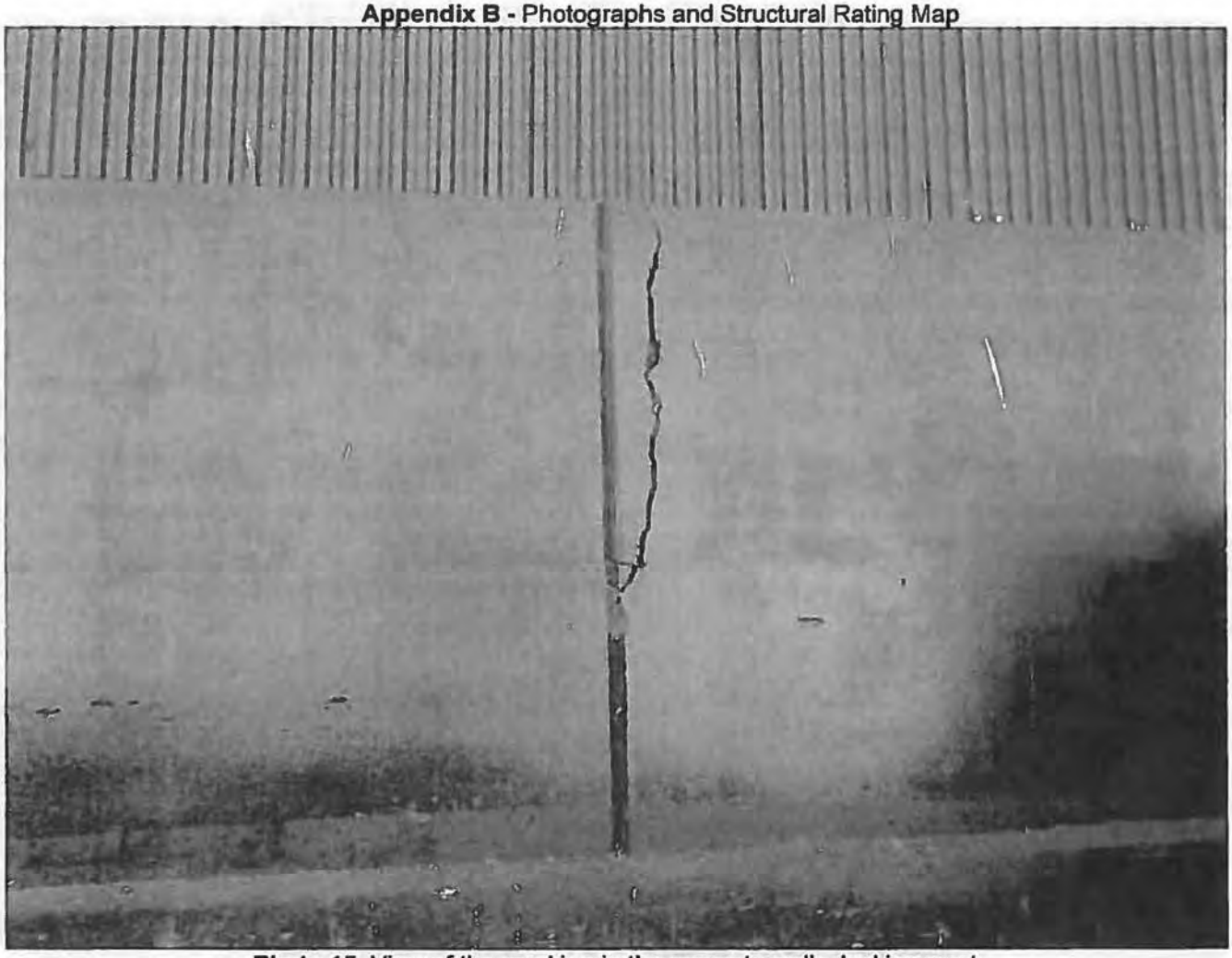


Photo 15. View of the cracking in the concrete walls, looking west

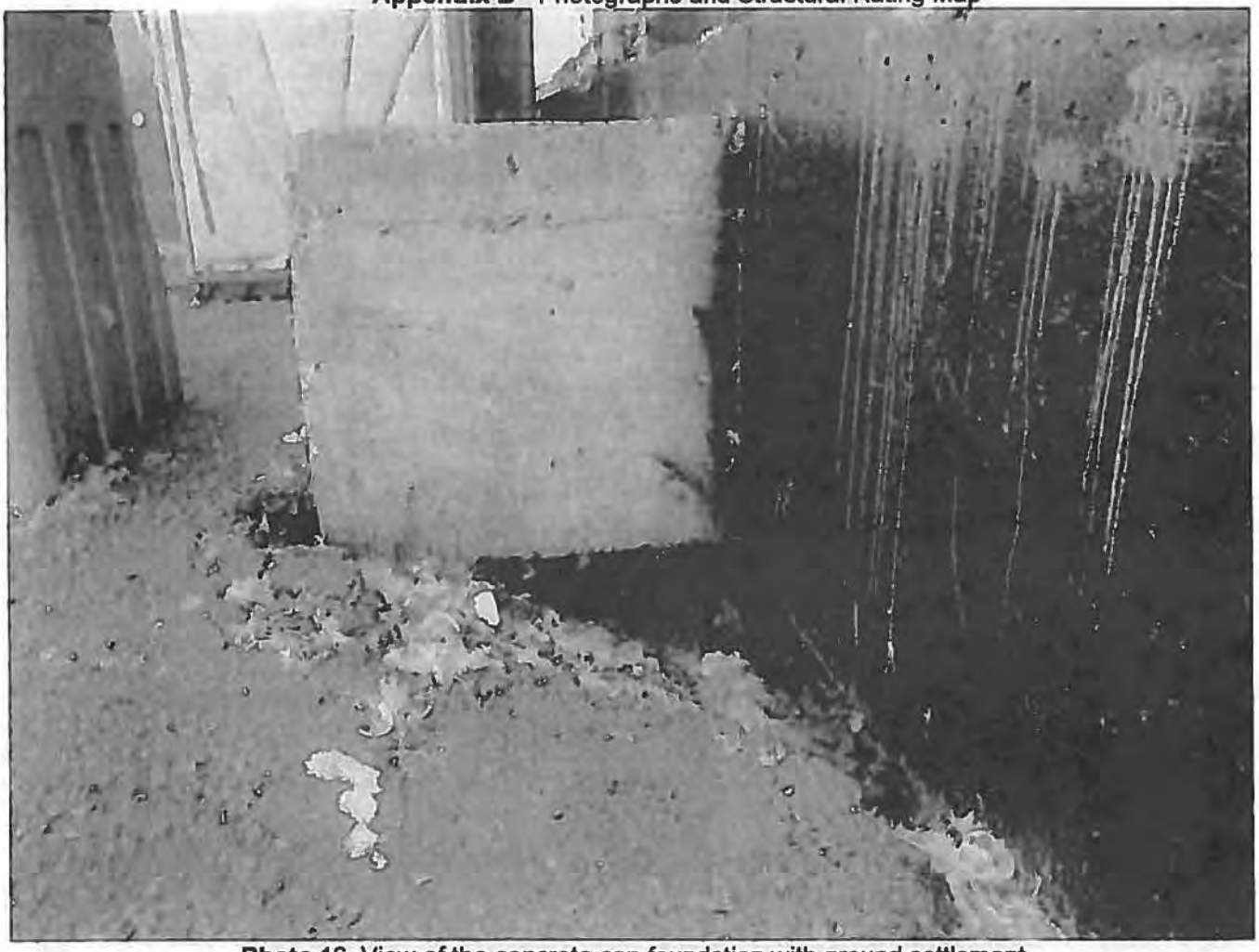


Photo 16. View of the concrete cap foundation with ground settlement

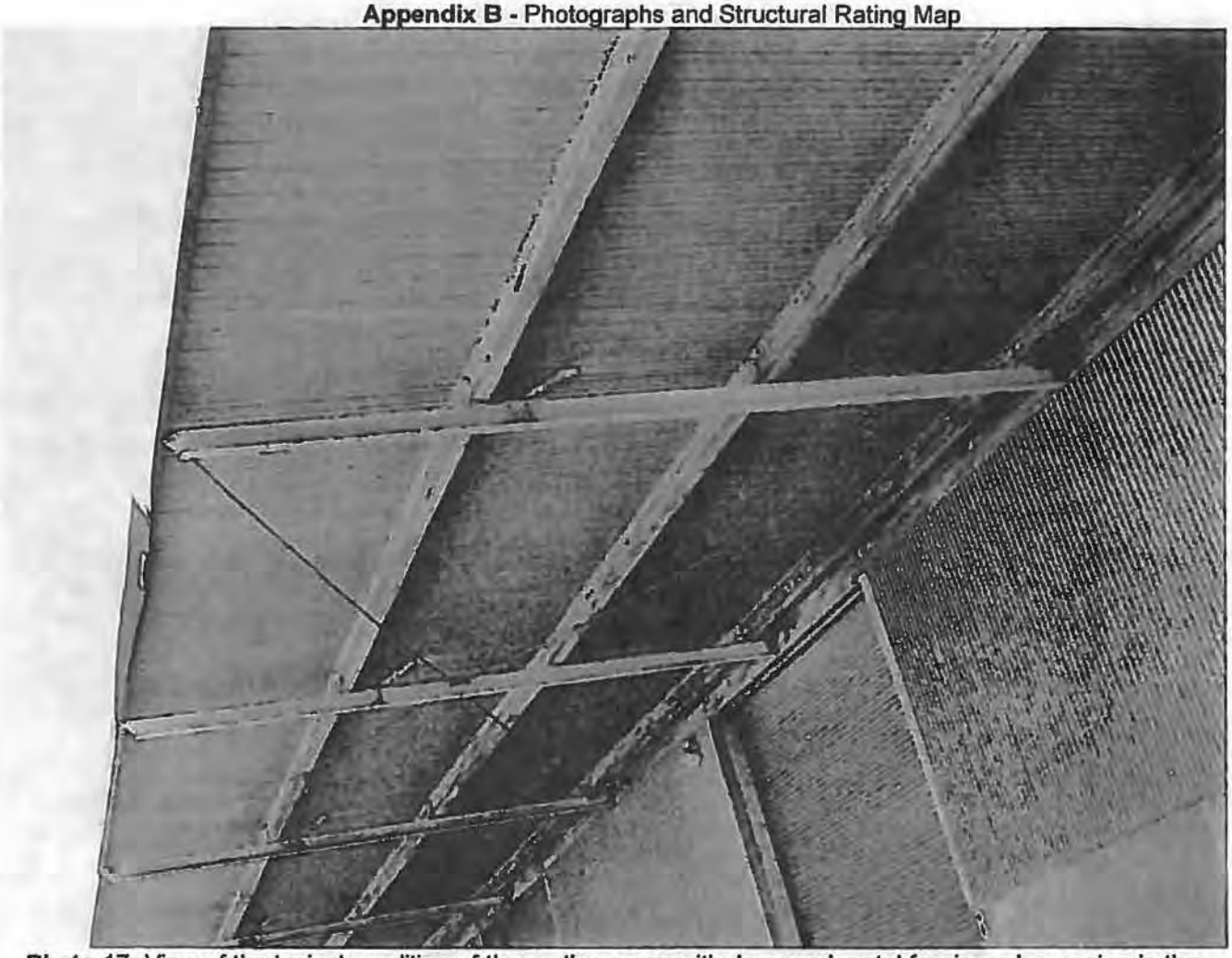


Photo 17. View of the typical condition of the north canopy with damaged metal fascia and corrosion in the members

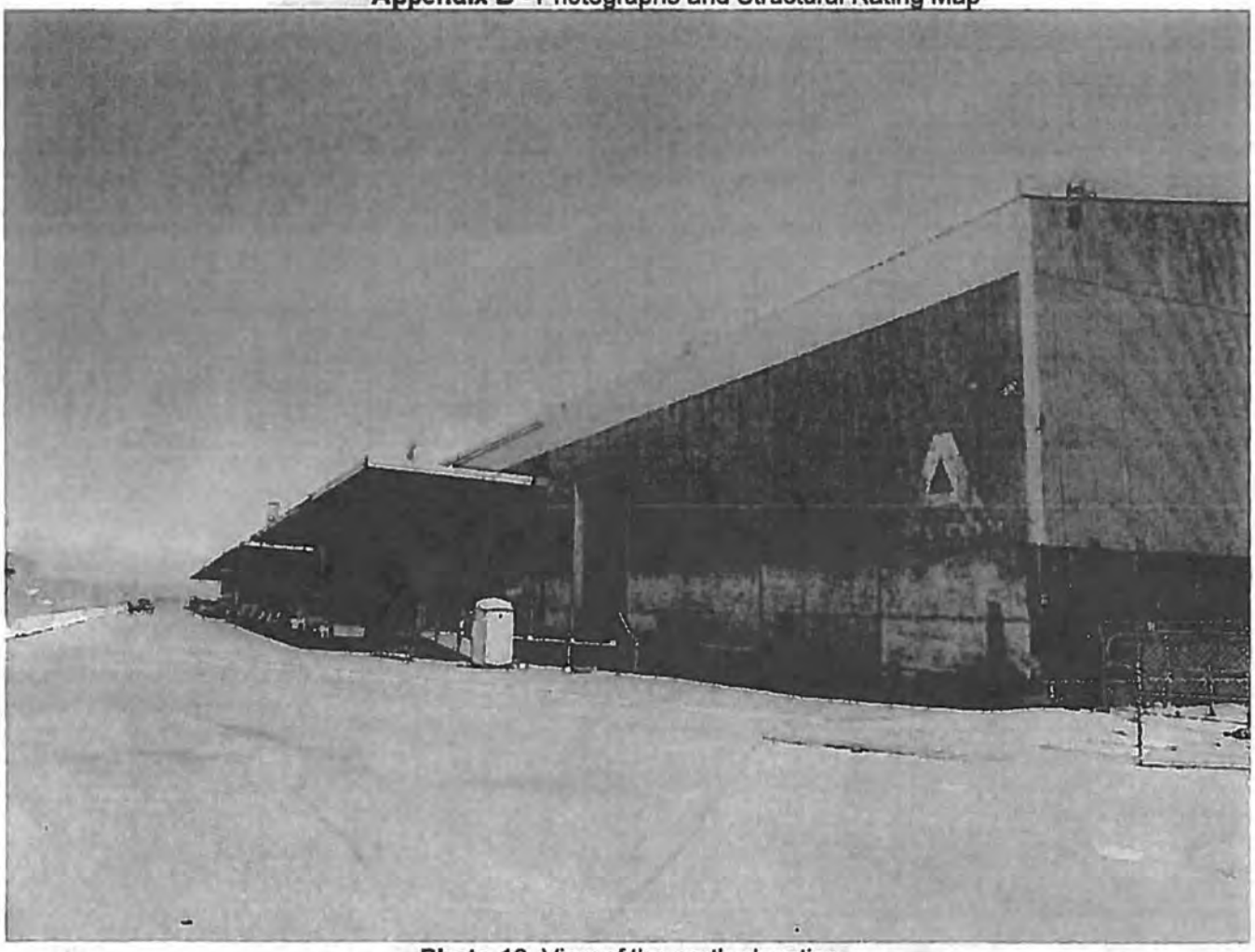


Photo 18. View of the north elevation

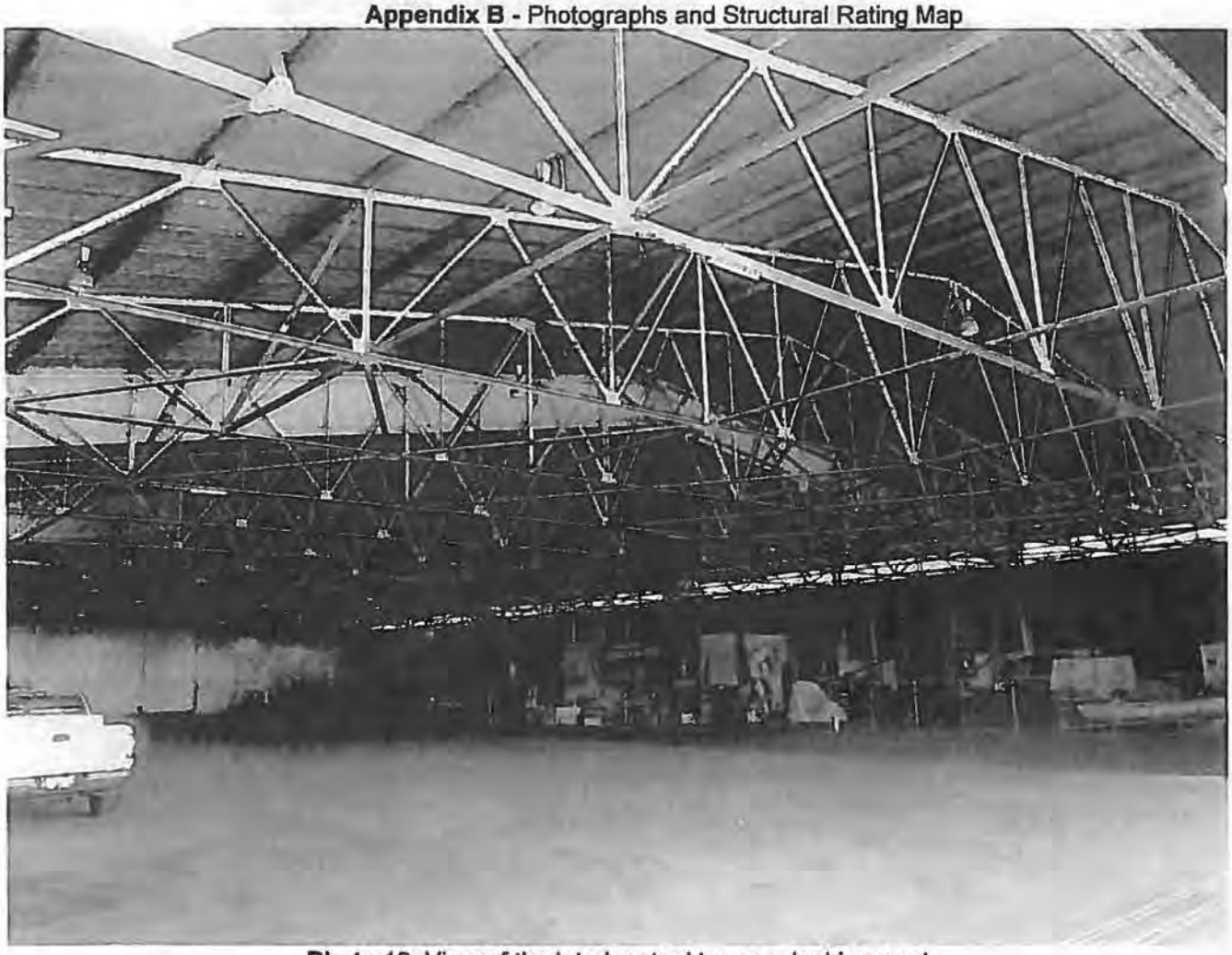


Photo 19. View of the interior steel trusses, looking west

Appendix B - Photographs and Structural Rating Map

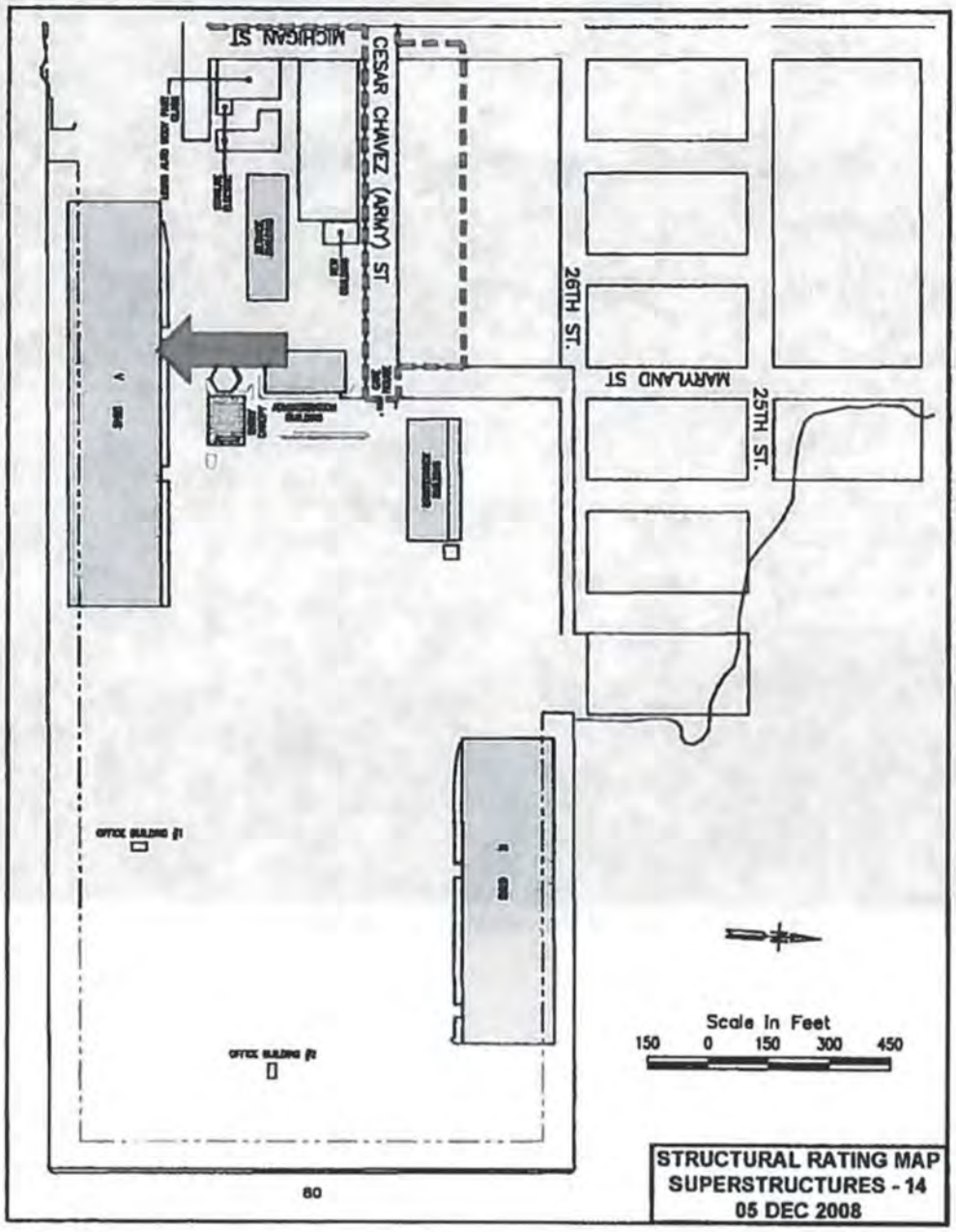


Photo 20. Structural rating map

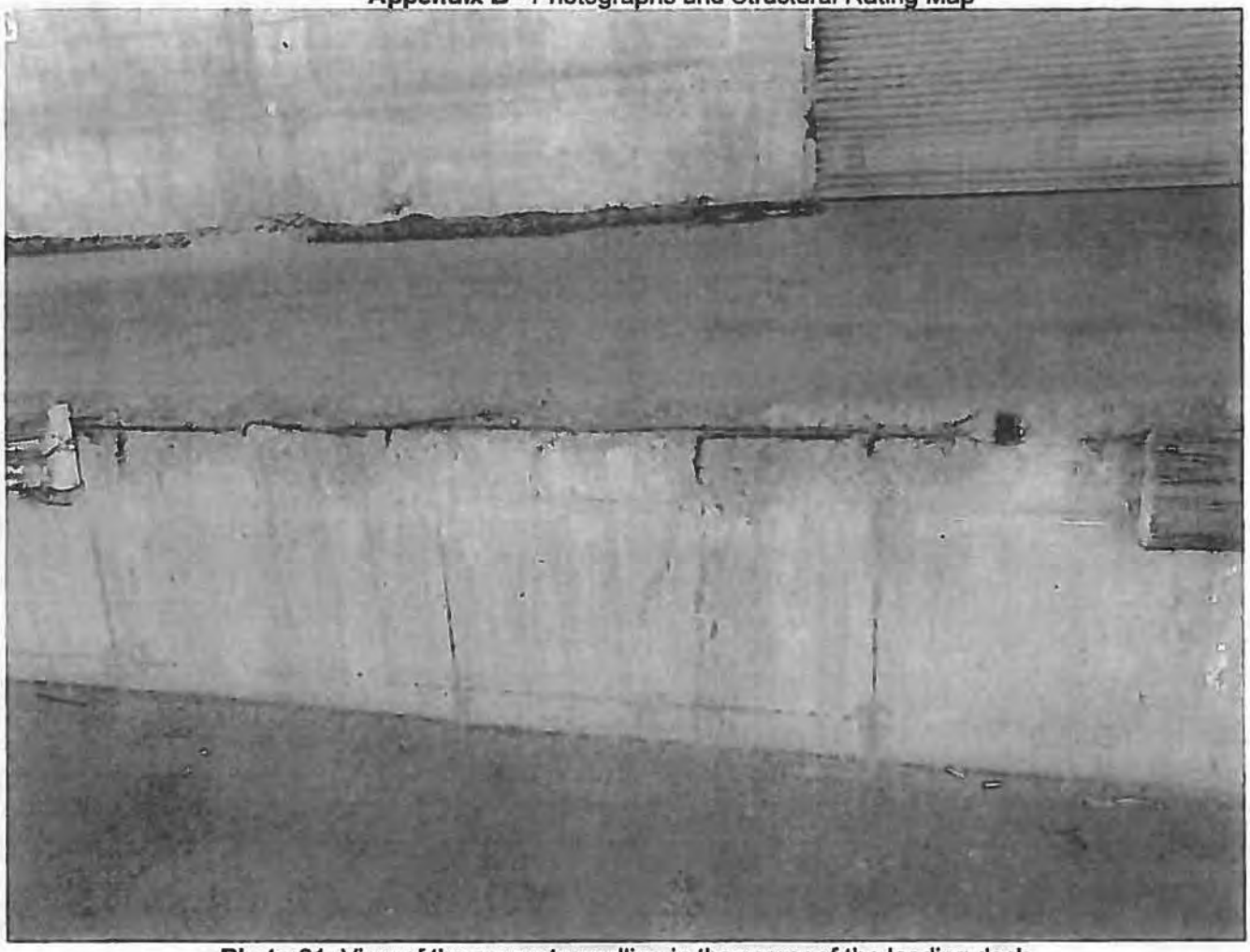


Photo 21. View of the concrete spalling in the corner of the loading dock

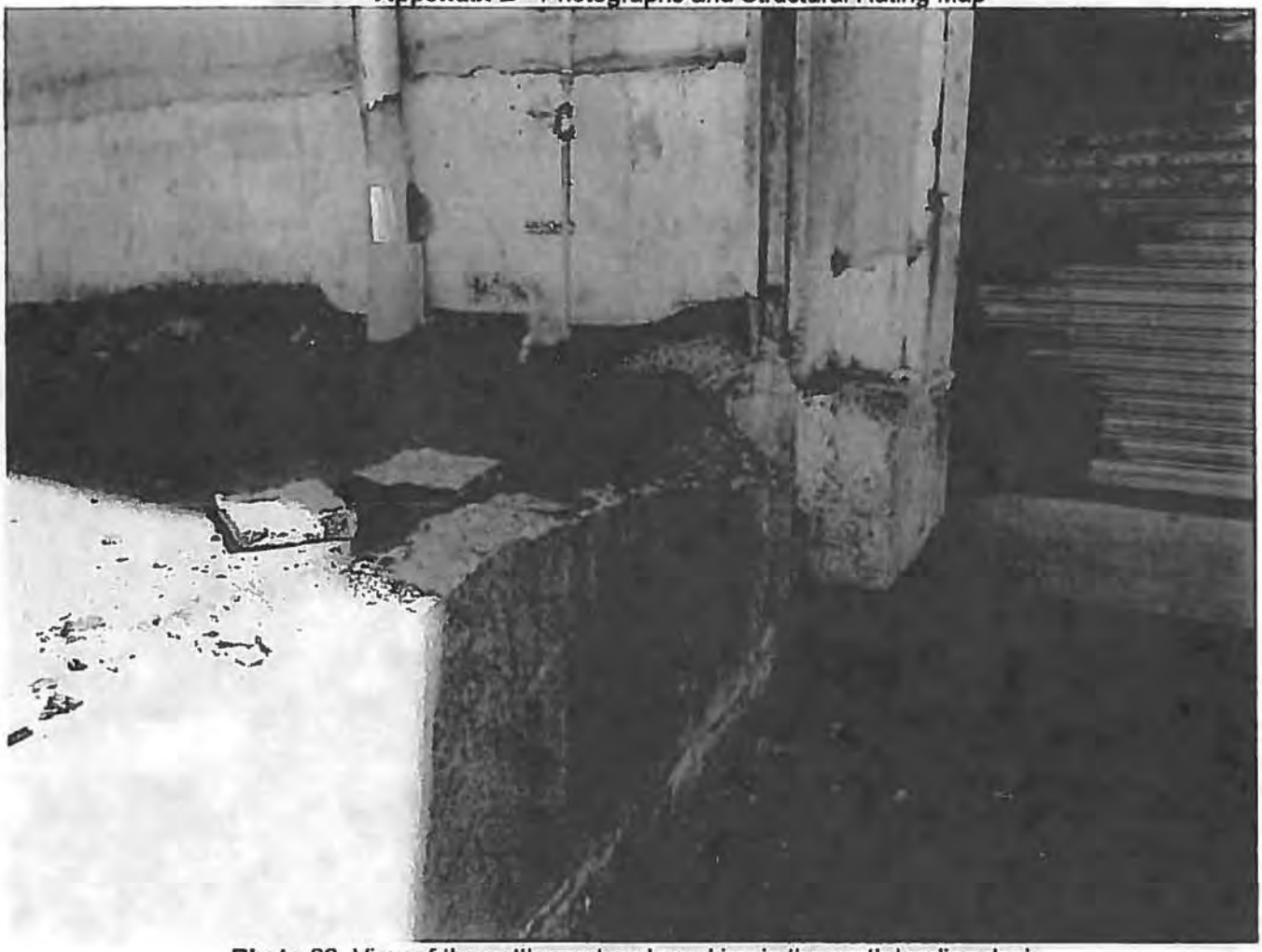


Photo 22. View of the settlement and cracking in the north loading dock

Appendix B - Photographs and Structural Rating Map



Photo 23. View of the settlement at the east side of the building

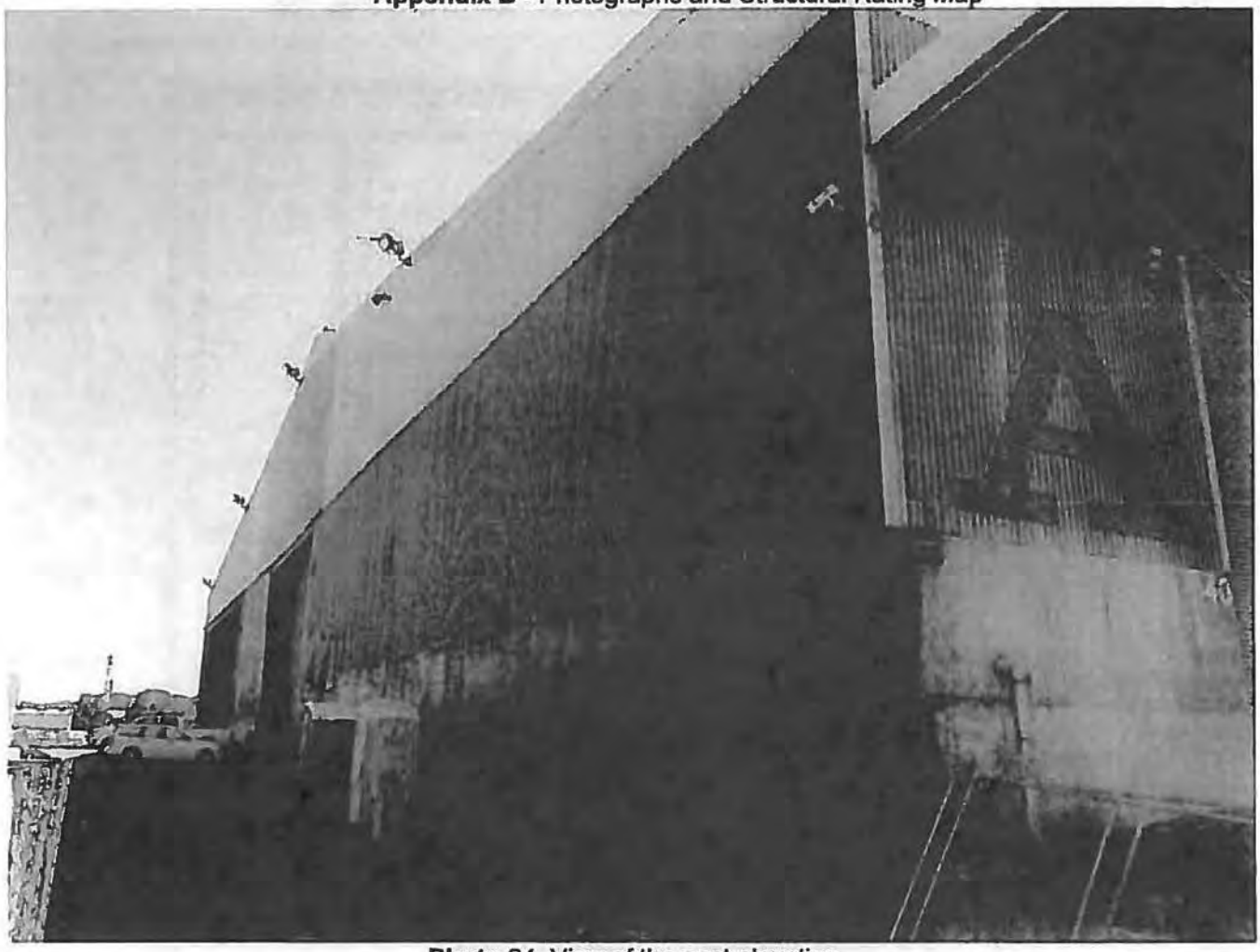


Photo 24. View of the east elevation

Appendix B - Photographs and Structural Rating Map

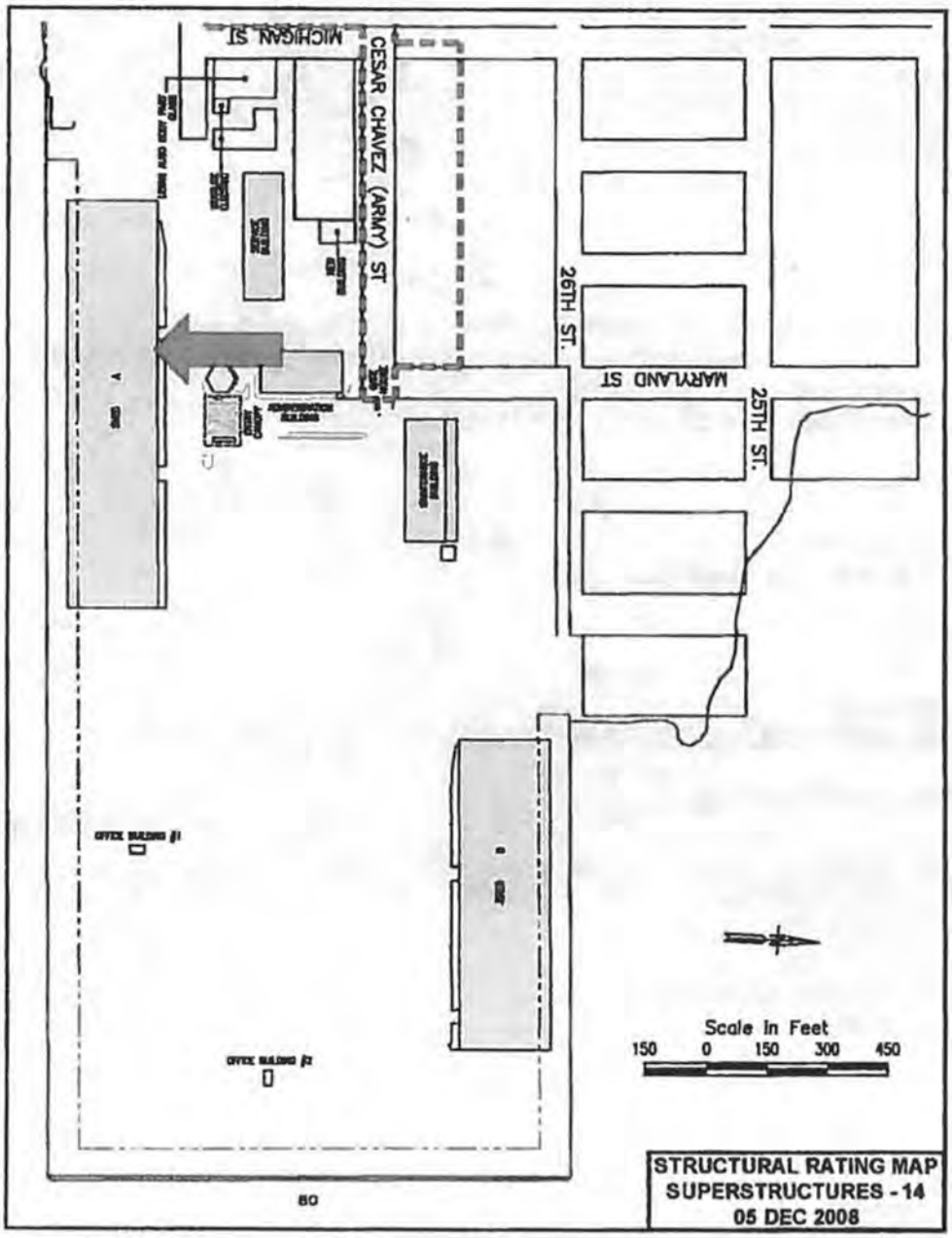


Photo 25. Structural rating map

RAPID STRUCTURAL ASSESSMENT REPORT

Structure Type:	**SUPERSTRUCTURE**	**Work Order:**	5542
Facility Name:	Pier 80 Shed D	**FIN:**	1800SHD
Asset Number:	1800-SHEDD	**Facility Code:**	1800
Asset Activity:	STRUCTURE TWO YR INSPECTION	**Port Engineer:**	Duncan, Mr. Sherban A.
Inspection Number:	1800-SHEDD-1-2013	**Inspected By:**	AGS - Jasper Chau
Inspection Start Date:	2013/06/04 11:15:20	**Inspection End Date:**	2013/06/04 12:45:20
Purpose Of Inspection:	Periodic Inspection	**Lease Number:**	
Address:			
Year Built:			

Rating Criteria:
Green - Unrestricted use. May require some minor repair, or minimal barricading._
- Restricted use. May require further review, may require load limits, limiting access and barricading until repairs completed.
Red - Unsafe notice. Shall be barricaded to prevent public access and use.

Overall Rating: Green

Immediate Actions: N.A.
Required Repairs: See comments below.
Load Limits: N.A.
Barricades: N.A.

Long Term Actions: N.A.
Detailed Structural/Geotechnical Evaluation Required: See comments below.

Condition Assessment Summary

Condition	Yes	No	More Review Needed
1) Full or Partial Collapse		X	
2) Major building element damaged		X	
3) Severe Cracking of walls		X	
4) Parapet or falling hazard			X
5) Severe ground movement present			X
6) Other Hazard present		X	

Comments:

Sequence - 1
Description - Comments
Comment - The metal canopy exhibited corrosion and missing roof decking. The interior steel columns exhibited corrosion, mainly at the column bases. Some steel delamination was observed at the corroded areas of the columns. The ground at the south side of the building have significantly settled.

According to the previous 2006 inspection report for Shed D, repair plans were outlined to survey the cause for

differential ground settlement and to investigate the extent of corrosion in corroded column bases. Recommend further evaluation of these aforementioned items.

Sequence - 2
Description - Detailed Building Description (if available):
Comment - The building is a large industrial shed with metal framing and concrete pedestals. The floor slab is mainly concrete-paved and asphalt-paved at several locations. The roof system consists of steel trusses with metal roof deck with transluscent material. The metal walls sit on top of 4 feet tall concrete stem walls. There are roll up doors at almost every bay in the north and south elevations. There is a metal canopy at the south side of the building. There is a two-story wood frame structure (office space) inside the shed at the south side of the building.

Attachments:
Appendix A - Facility Data
Appendix B - Photographs and Structural Rating Map

RAPID STRUCTURAL ASSESSMENT REPORT

Appendix A - Facility Data

Name of Facility: Pier 80 Shed D
Facility Code: 1800
Address:
Lease Number(s):

Building Data

Building Structure FIN: 1800SHD
No. of stories: 0
Support over water: Yes
Support over land: Yes
Construction Type (Wood, Concrete, Steel, Masonry or Combination): Steel
Occupancy Type (Commercial, Office, Industrial, Assembly, Residential, Emergency Service, etc.): Industrial

Detailed Building Description (If available):

Substructure/Foundation Data:

Substructure FIN: 1800SUB
Piling Type: Concrete
Substructure Deck Type: Concrete
Apron Type: Concrete and Wood

Detailed Substructure Description (If available): Concrete deck over concrete piles

Appendix B - Photographs and Structural Rating Map

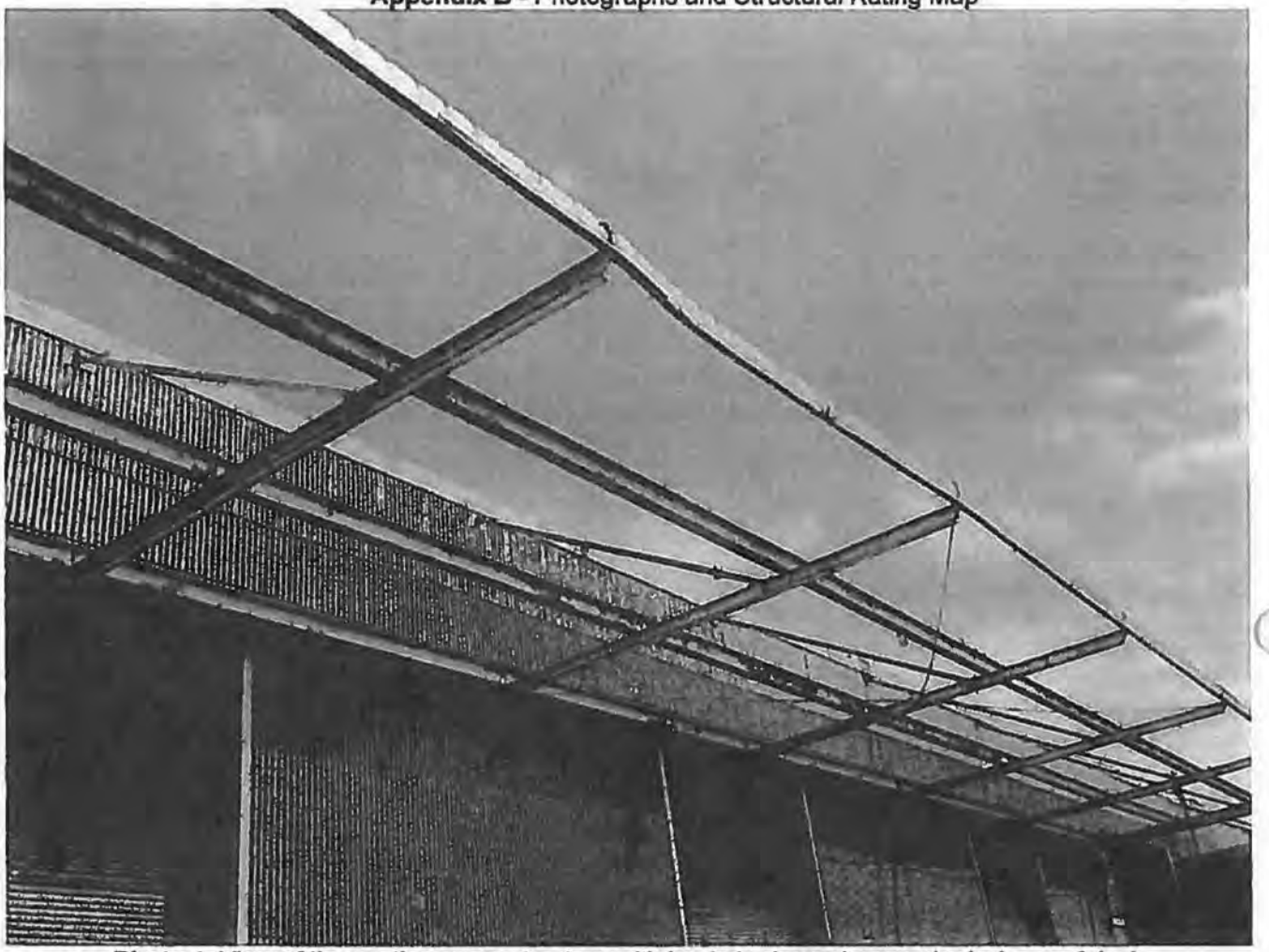


Photo 1. View of the south canopy structure with bent steel members and missing roof deck

Appendix B - Photographs and Structural Rating Map

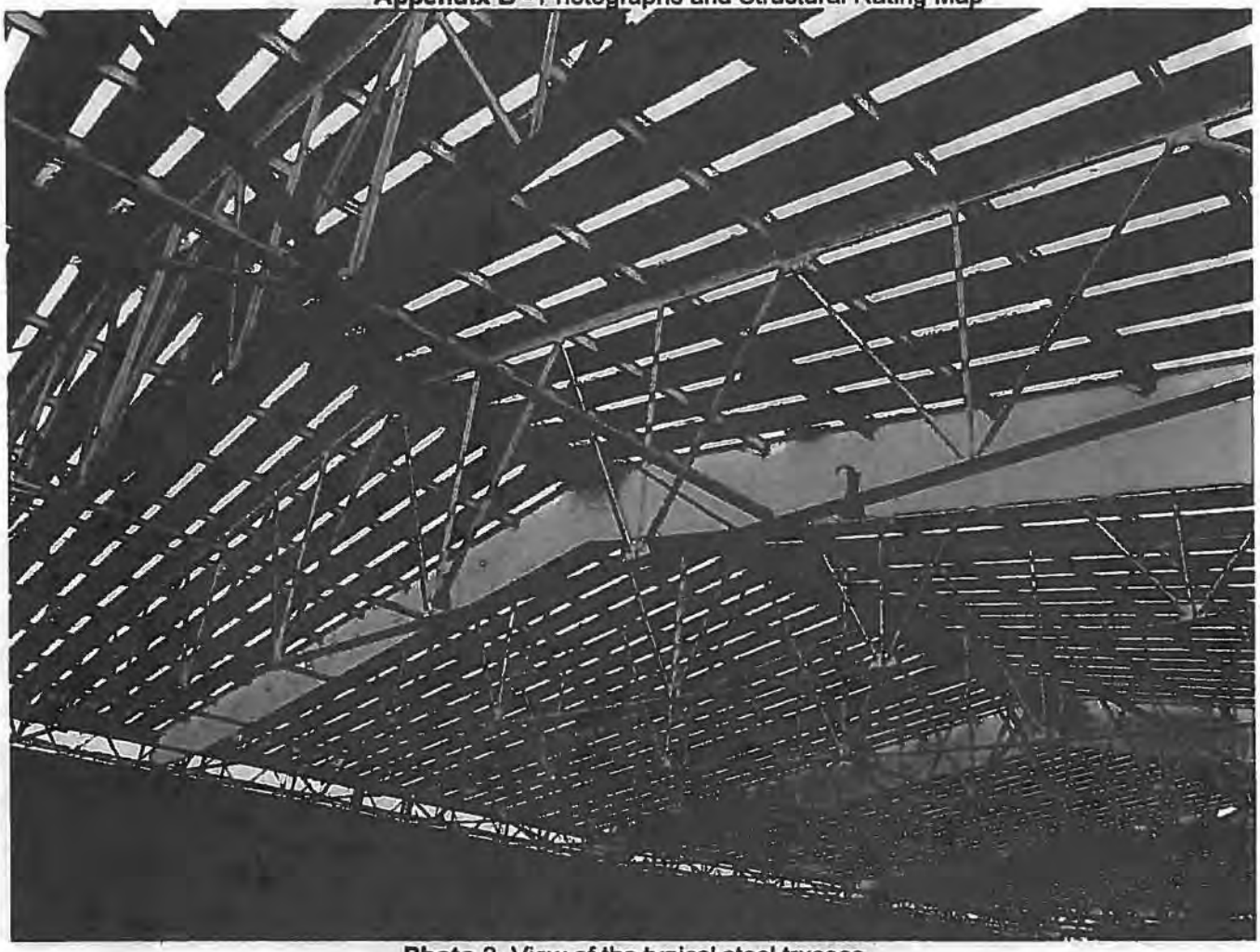


Photo 2. View of the typical steel trusses

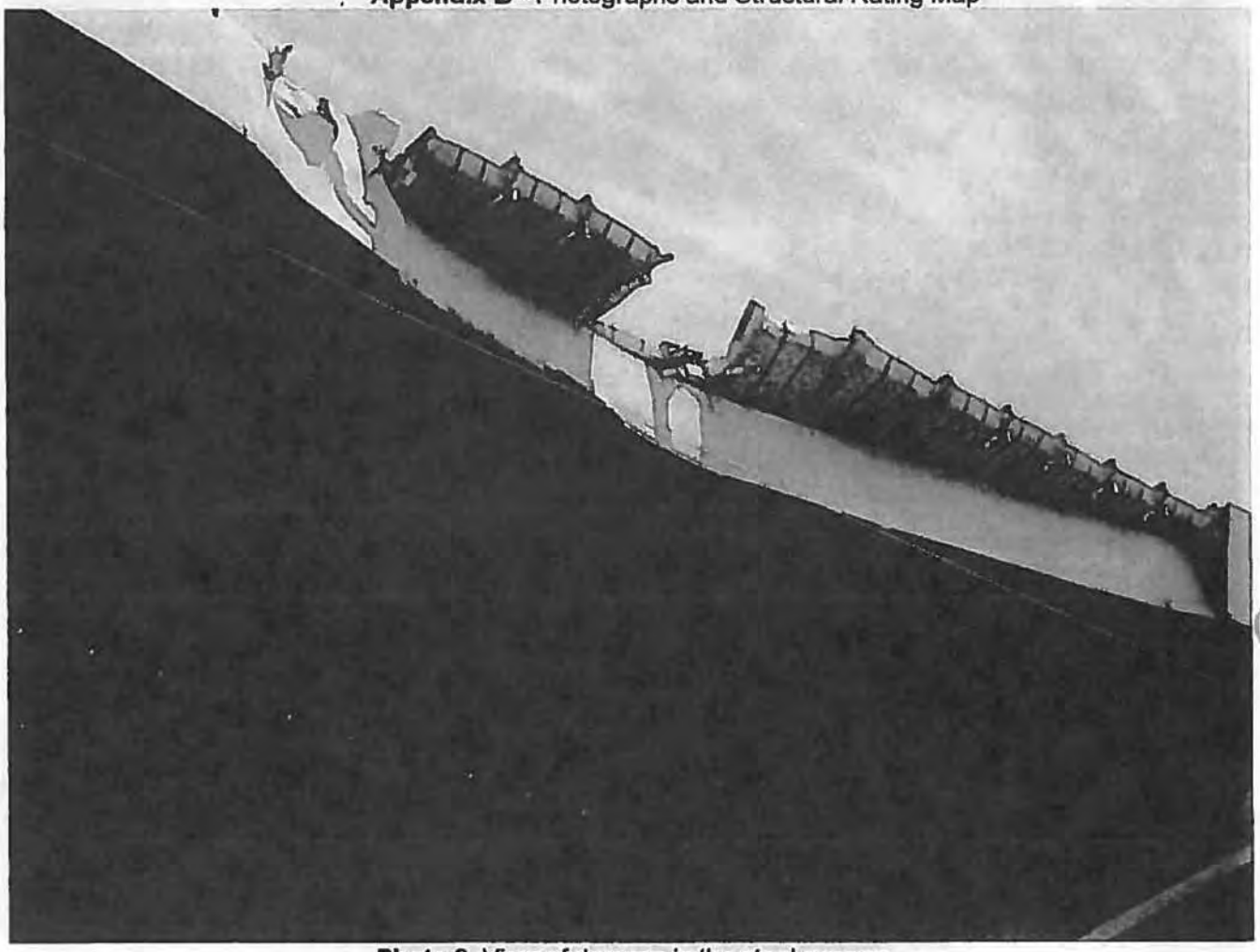


Photo 3. View of damage in the steel canopy

Appendix B - Photographs and Structural Rating Map

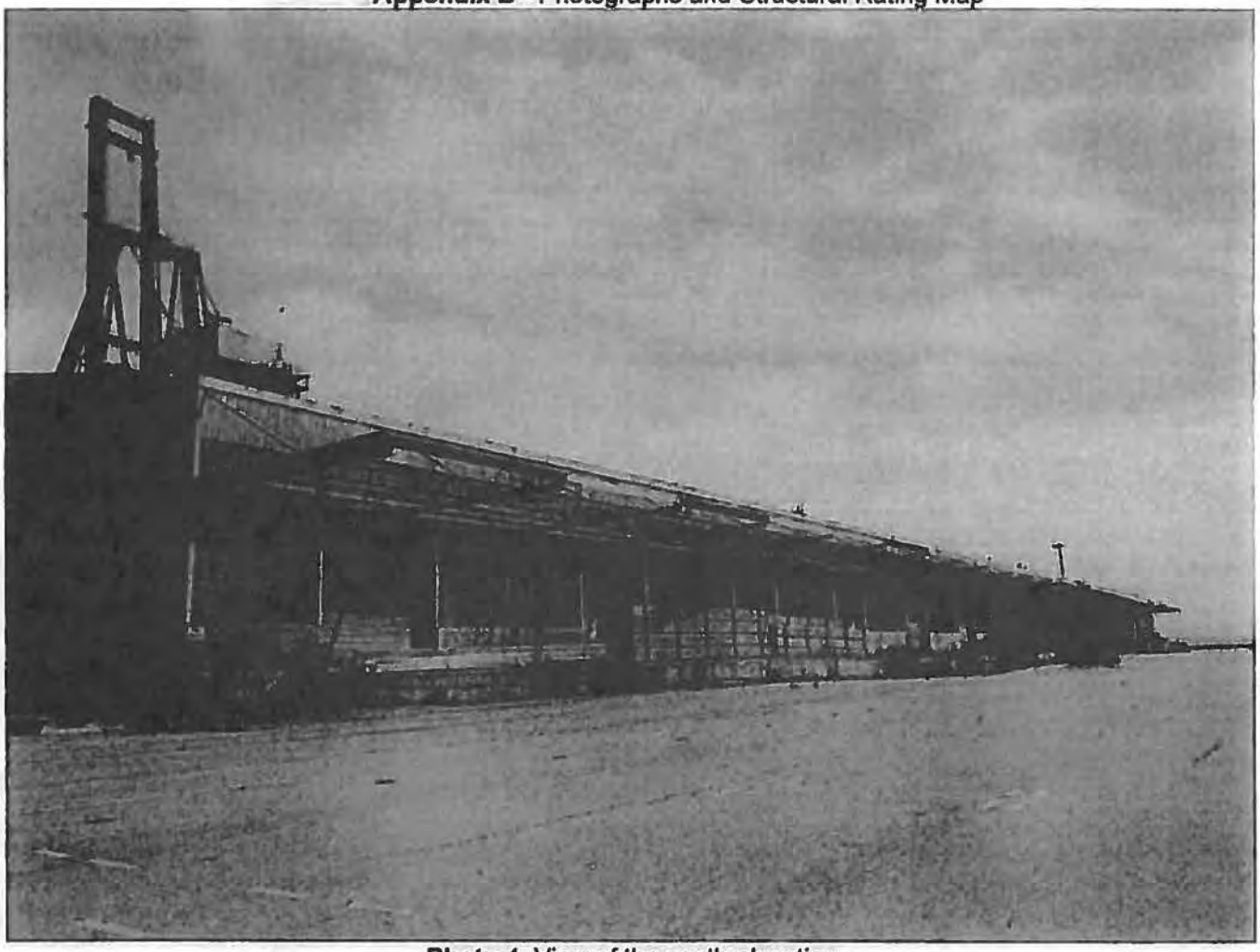


Photo 4. View of the south elevation

Appendix B - Photographs and Structural Rating Map

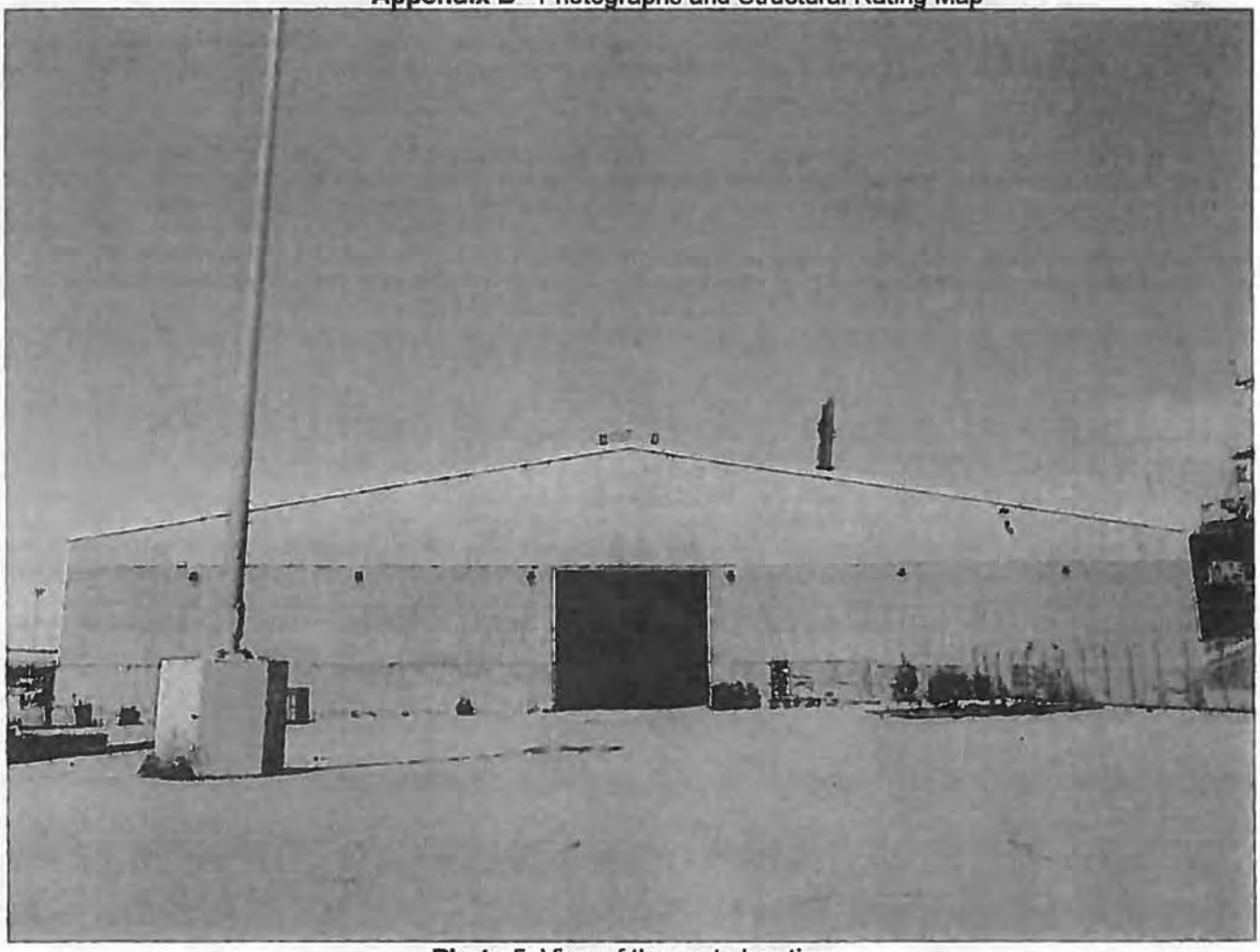


Photo 5. View of the east elevation

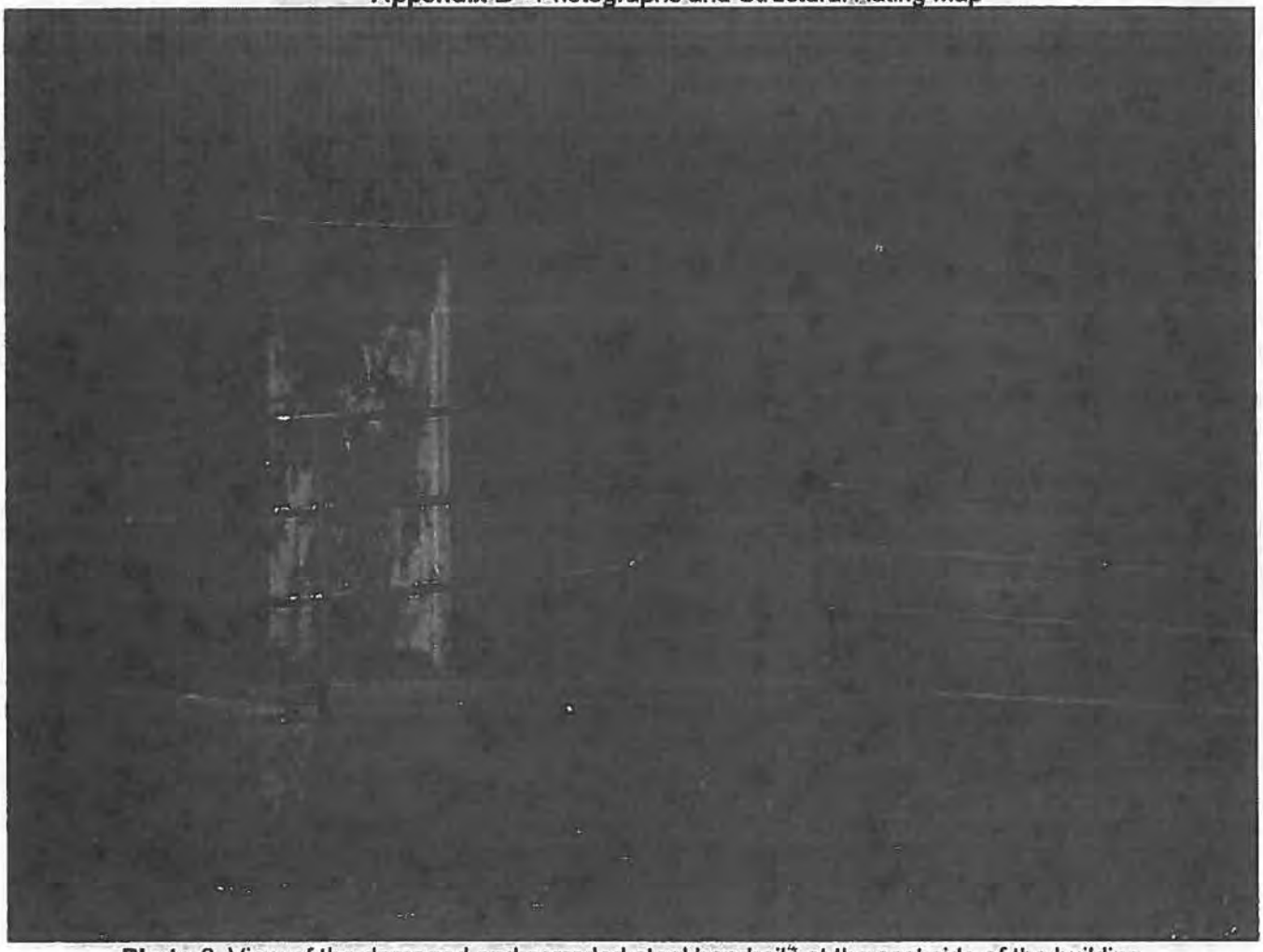


Photo 6. View of the damaged and corroded steel handrails at the east side of the building

Appendix B - Photographs and Structural Rating Map



Photo 7. View of the ground settlement in the loading dock at the south side of the building

Appendix B - Photographs and Structural Rating Map

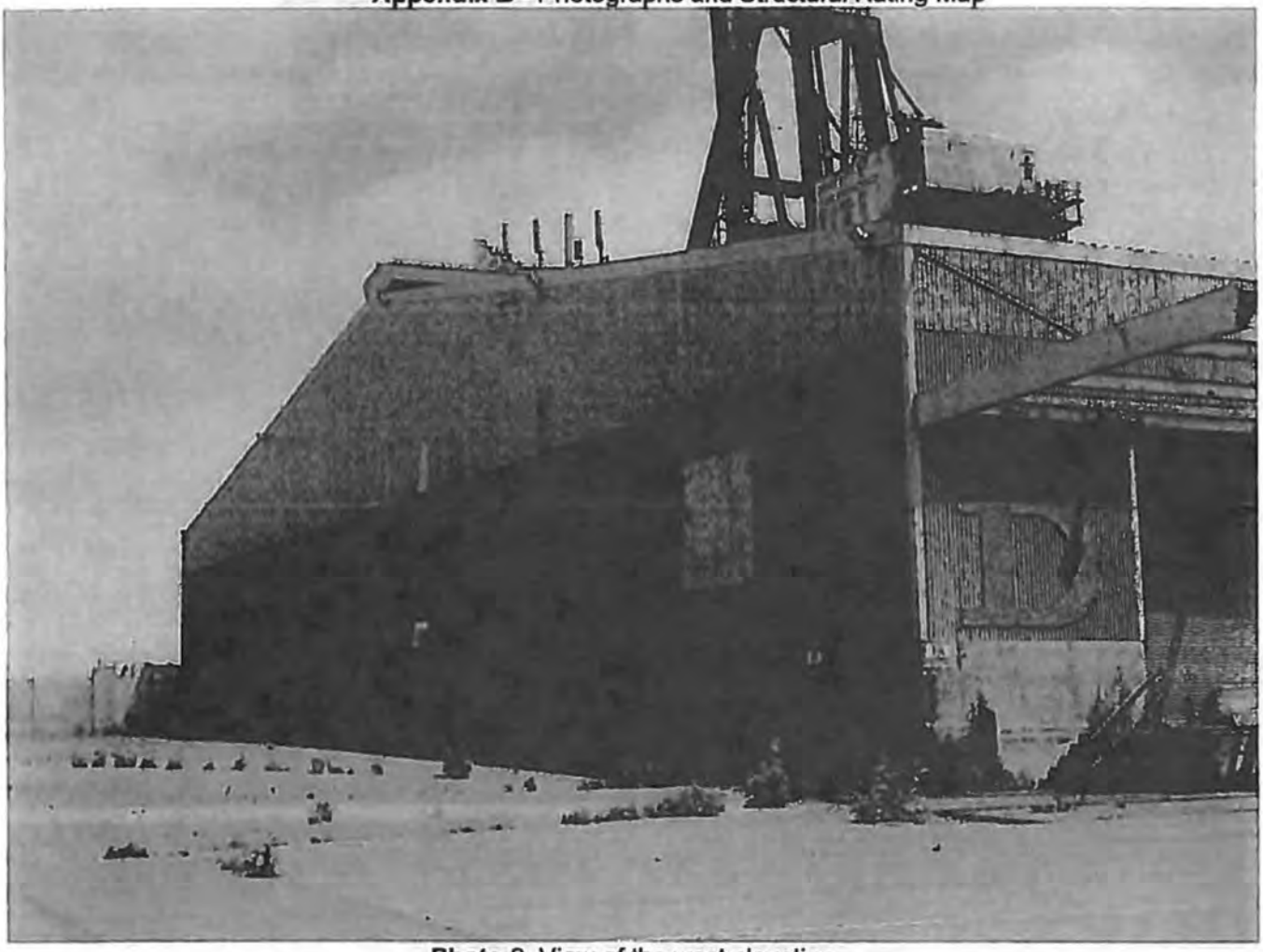


Photo 8. View of the west elevation

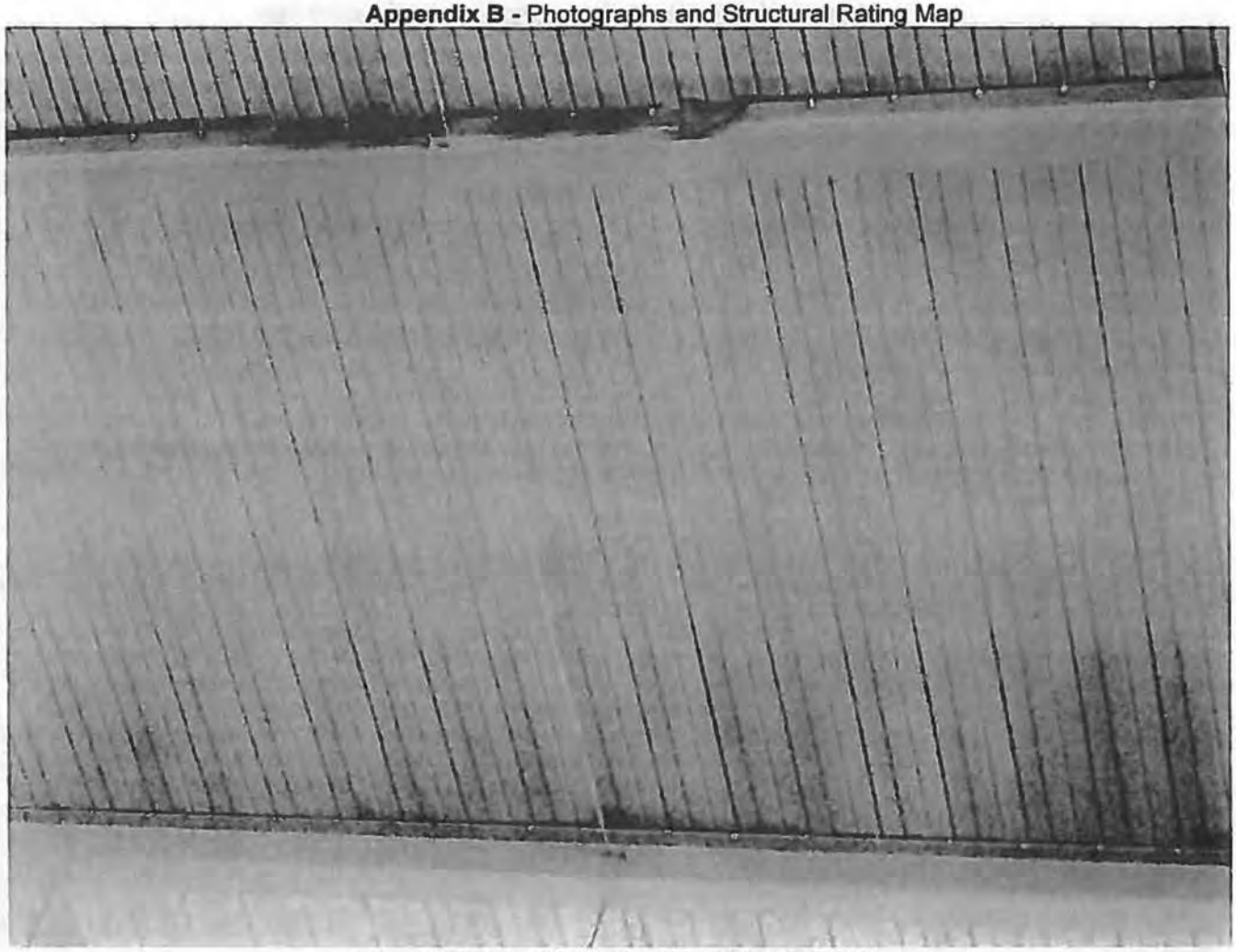


Photo 9. View of the underside of the roof deck

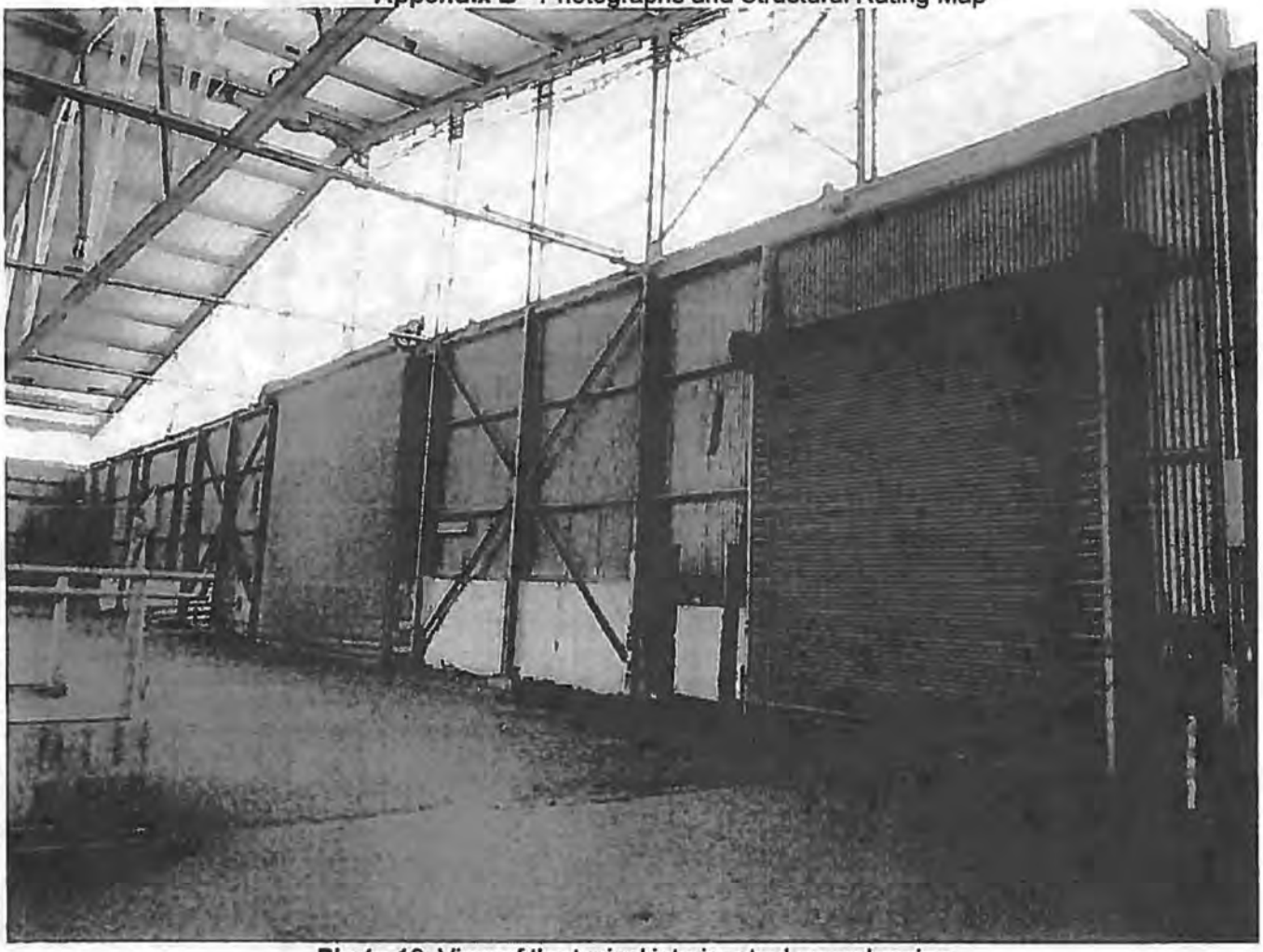


Photo 10. View of the typical interior steel cross-bracing

Appendix B - Photographs and Structural Rating Map

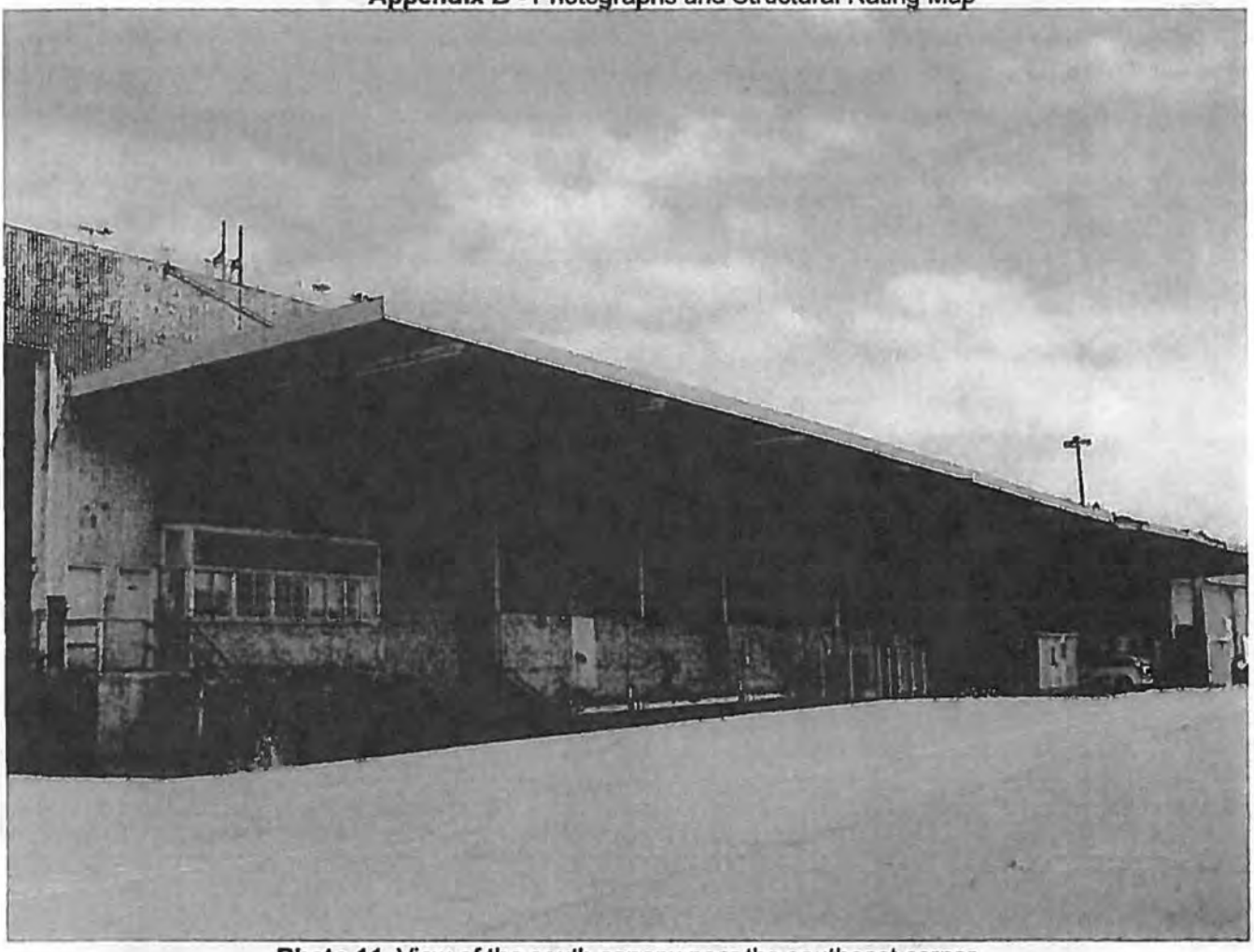


Photo 11. View of the south canopy near the southeast corner

Appendix B - Photographs and Structural Rating Map

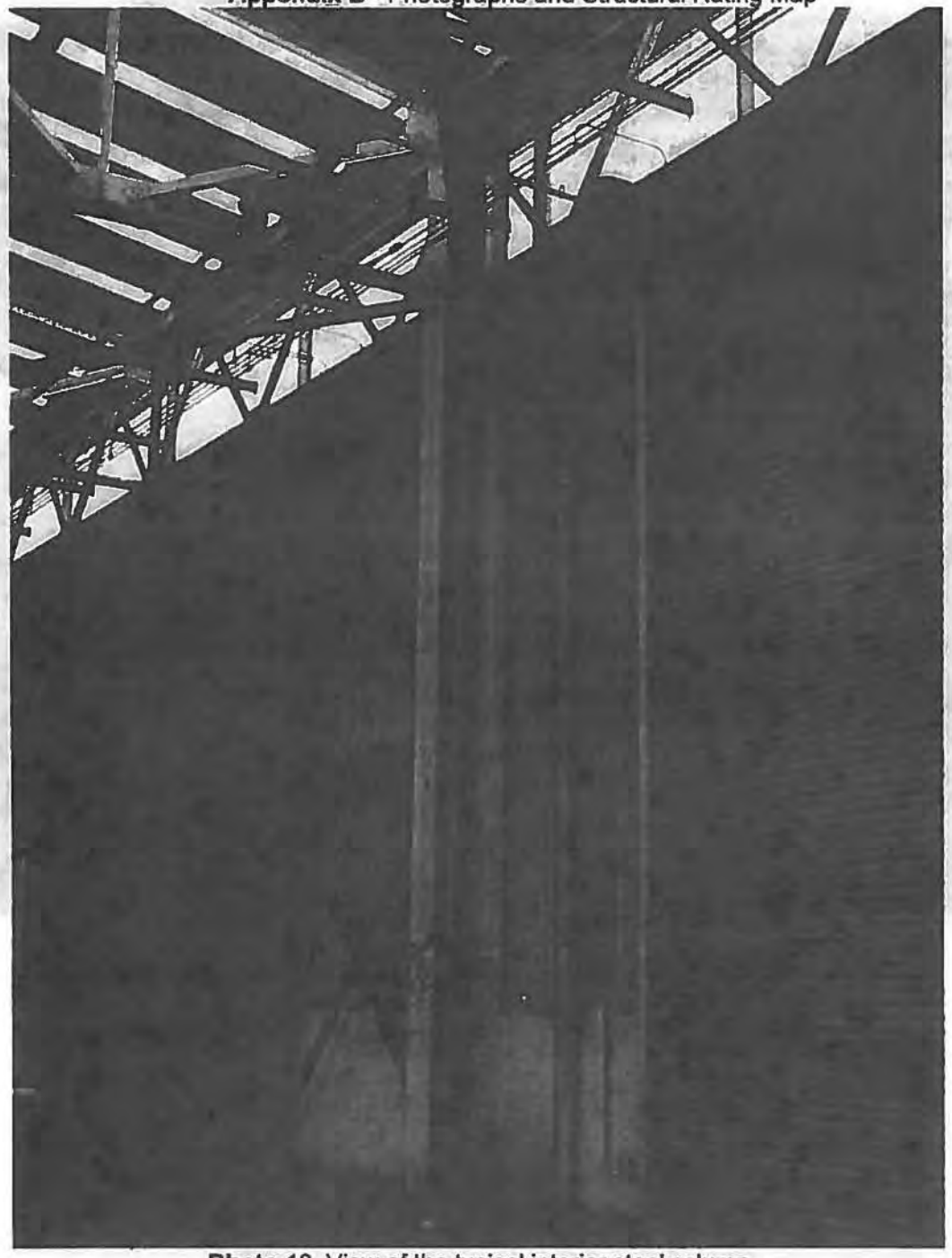


Photo 12. View of the typical interior steel column

Appendix B - Photographs and Structural Rating Map



Photo 13. View of the interior of the building, looking east

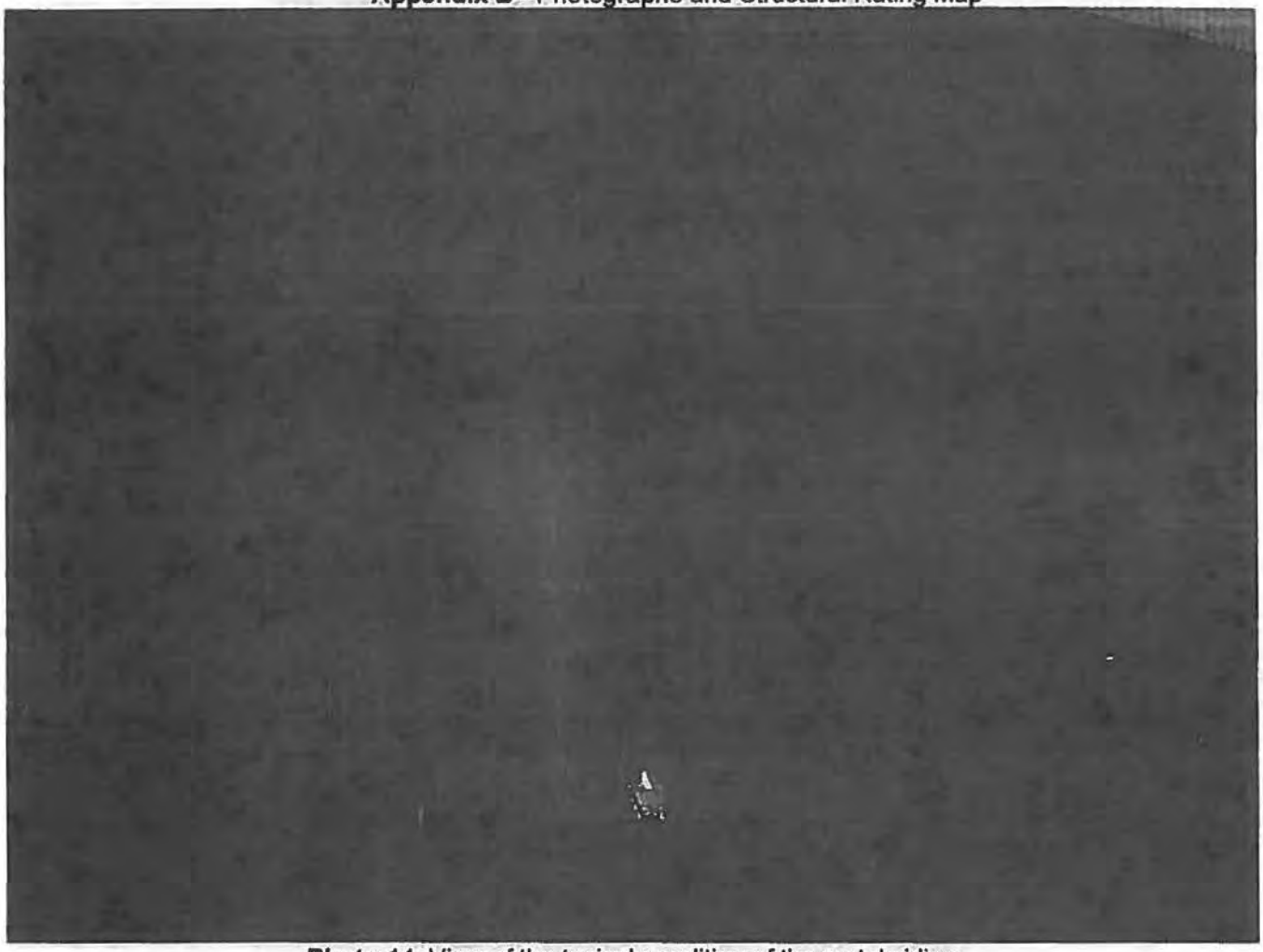


Photo 14. View of the typical condition of the metal siding

Appendix B - Photographs and Structural Rating Map

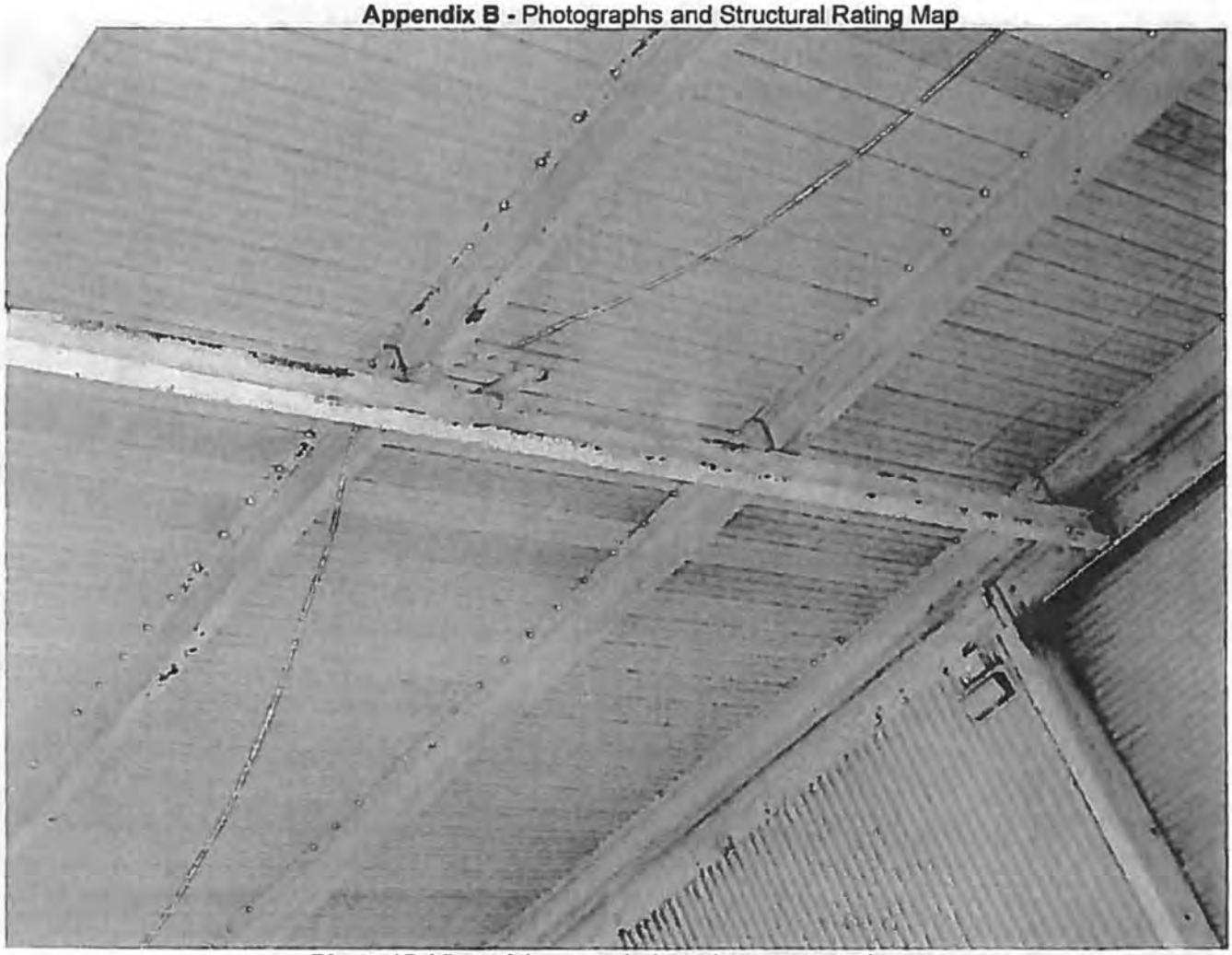


Photo 15. View of the corroded steel canopy members

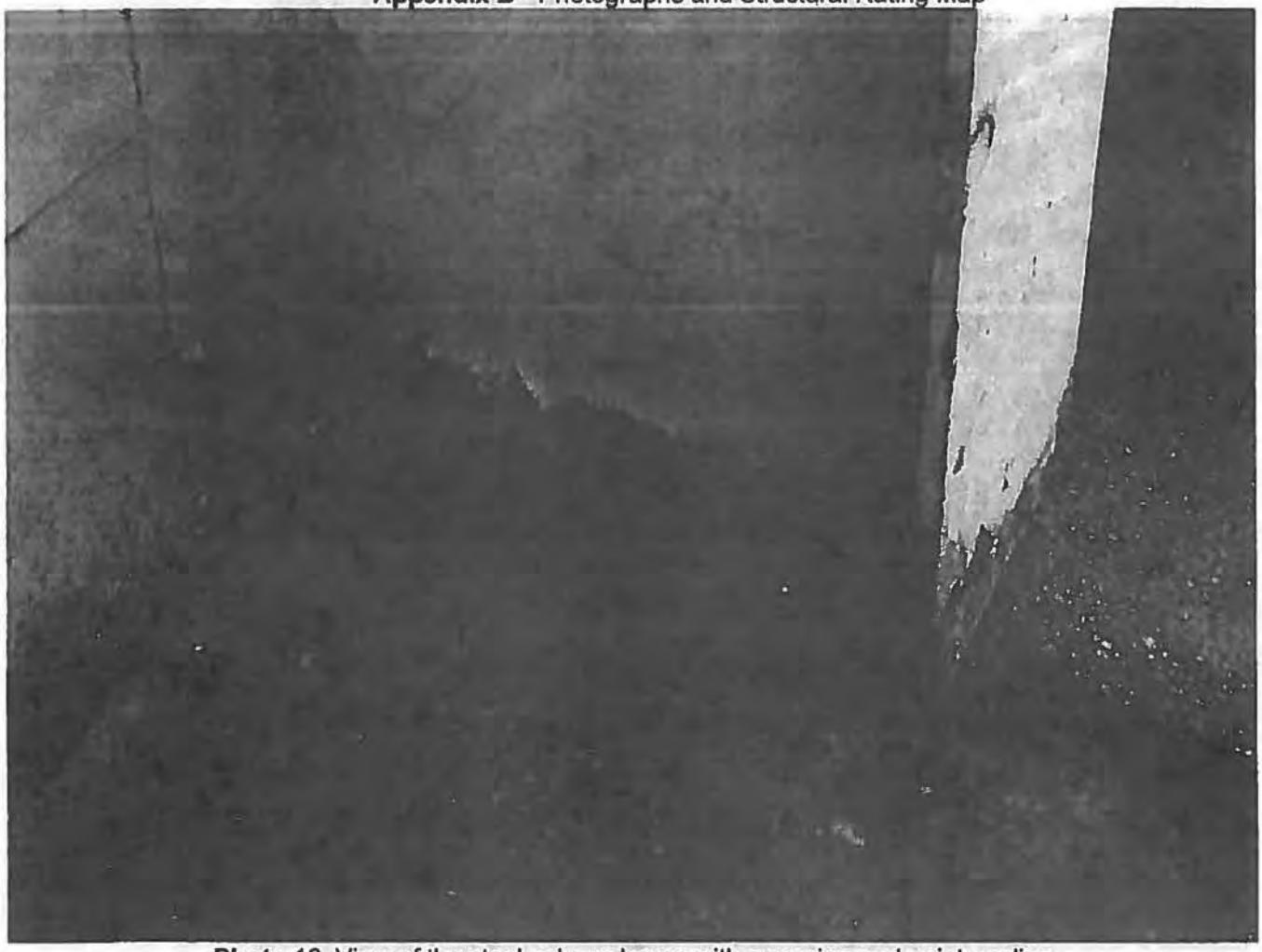


Photo 16. View of the steel column bases with corrosion and paint peeling



Photo 17. View of the wood-frame structure inside the shed

Appendix B - Photographs and Structural Rating Map

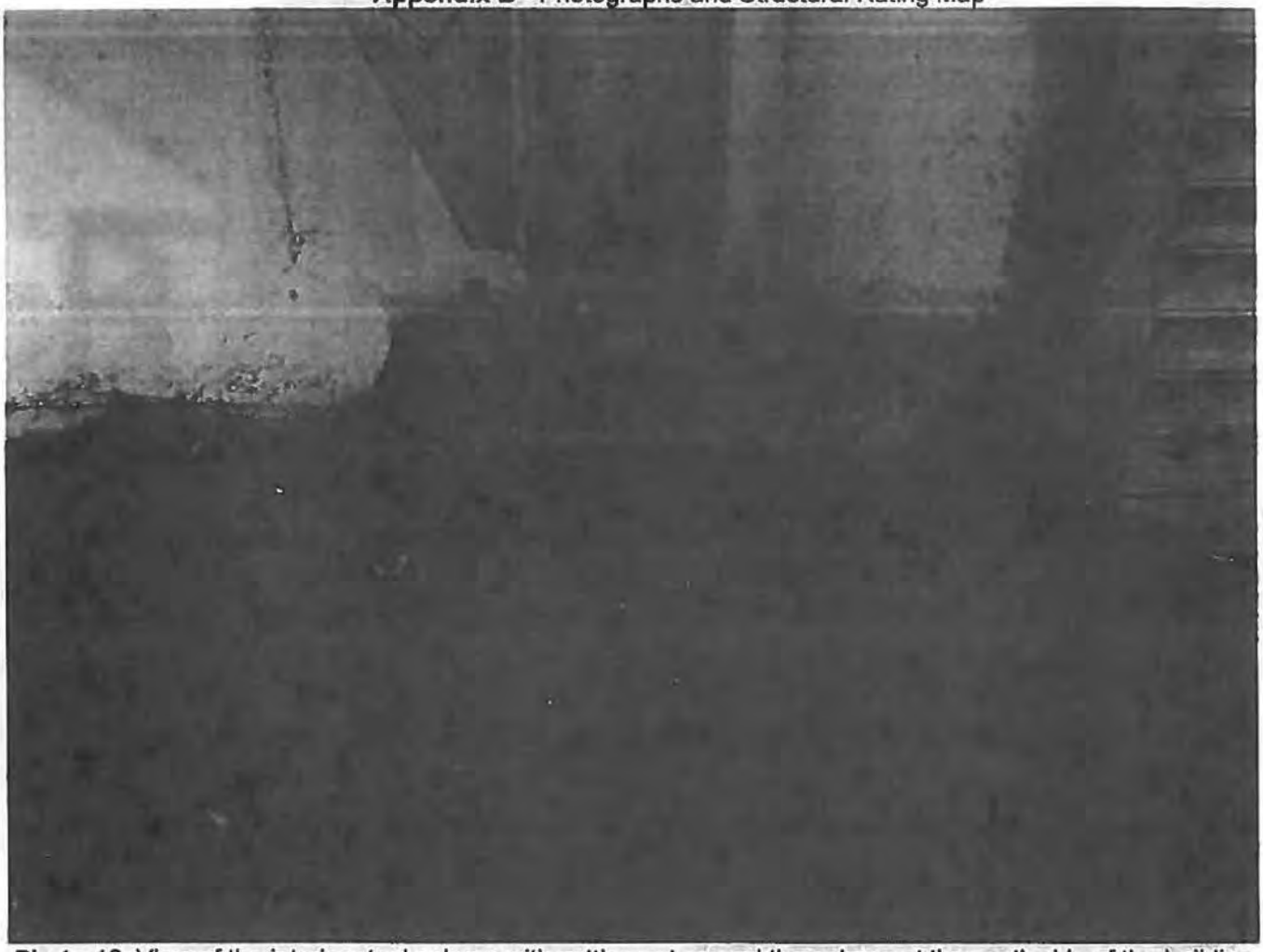


Photo 18. View of the interior steel column with settlement around the column at the south side of the building

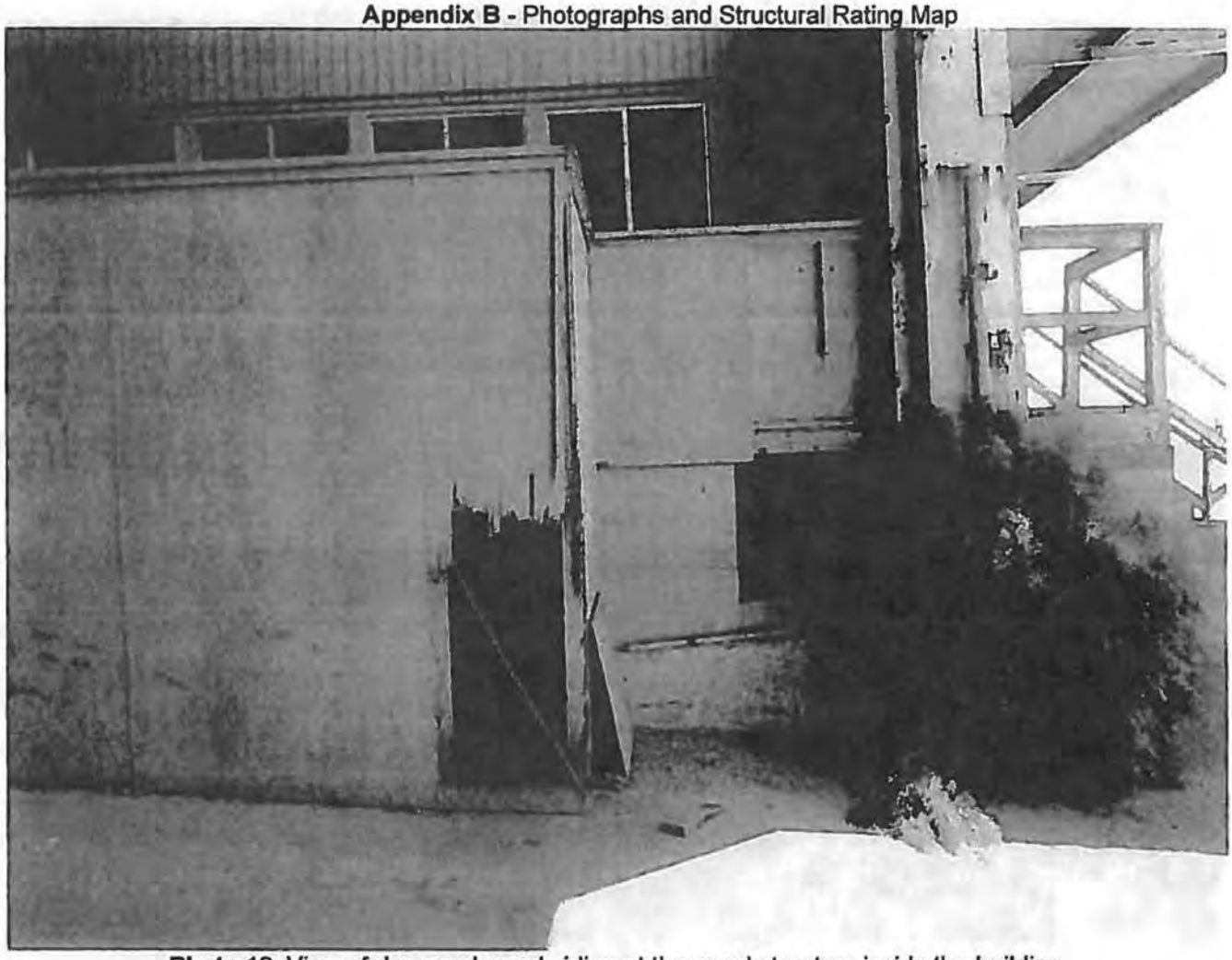


Photo 19. View of damaged wood siding at the wood structure inside the building

Appendix B - Photographs and Structural Rating Map

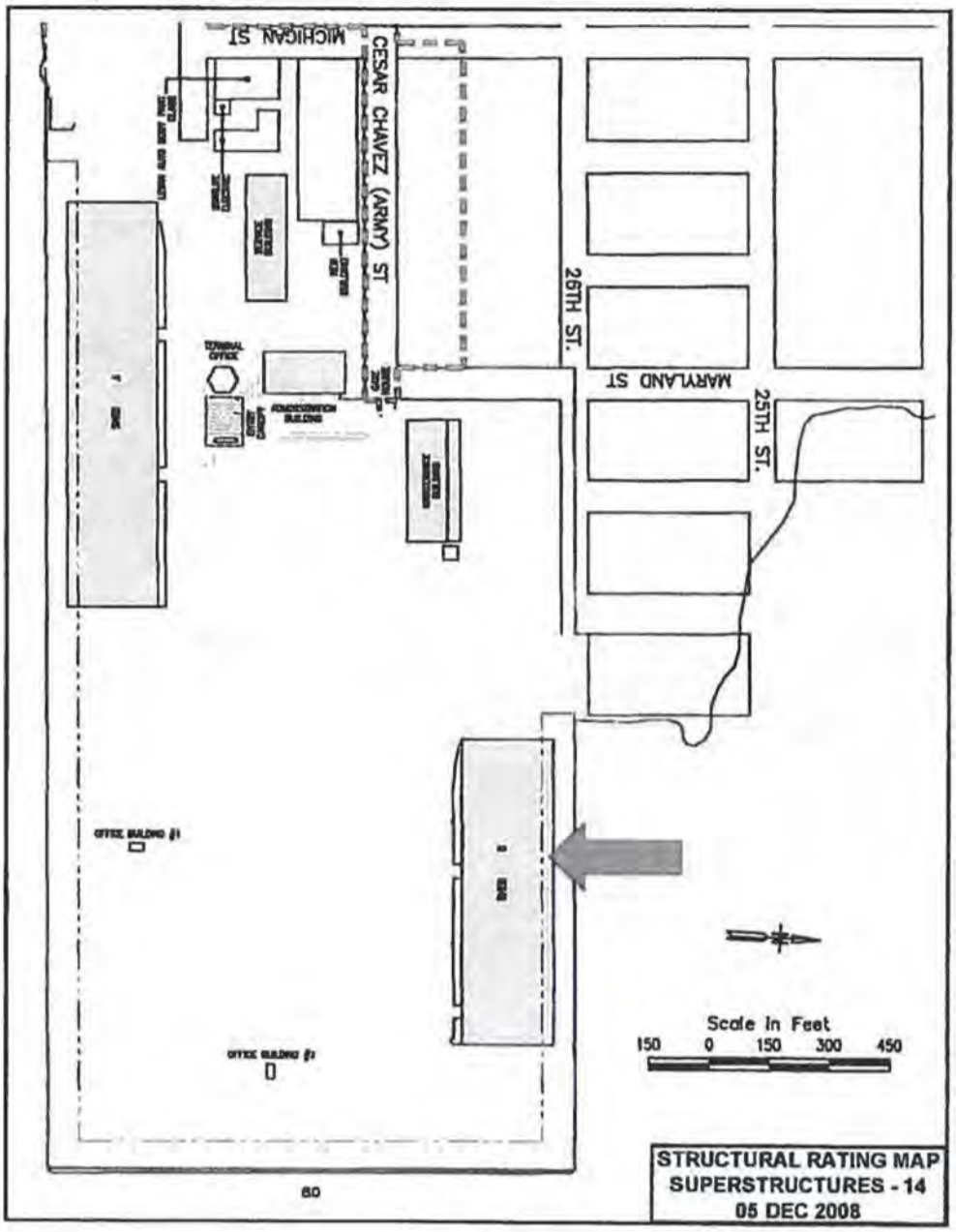


Photo 20. Structural rating map

SCHEDULE 3

HAZARDOUS MATERIALS DISCLOSURE

Environmental Reports and Documents Regarding Hazardous Materials

Pasha Automotive Services

April 2016

Pier 80

Asbestos and lead-containing materials report; Pier 80 Shed D, SCA Environmental, Inc., December 2005.

Assessment of Suspect Asbestos-Containing Materials at the Pier 80 Administration Building, 501 Army Street, Clayton Environmental Consultants, March 22, 1996.

Chemical Analyses and Toxicity Evaluation of Dredge Sediment from San Francisco Bay (Piers 27, 29, 80 & 94), Toxscan Inc., August 1991.

Final Draft Report Phase II Site Characterization/Risk Assessment Union Pacific Army Street Site Volume 11 Pier 80, Dames & Moore, June 26, 1989.

Final Draft Report, Phase II Site Characterization/Risk Assessment, Union Pacific Army Street Site, Volume I, Dames & Moore, June 26, 1989.

Groundwater Monitoring and Soil Vapor Sampling Report and Request for Low Threat Underground Storage Tank Case Closure for Former Vehicle Maintenance Facility, Pier 80, Port of San Francisco, LOP Case #10314, Weiss Associates, February 26, 2015.

Groundwater Monitoring Report for Former Vehicle Maintenance Facility, Pier 80, Port of San Francisco, LOP Case #10314, Weiss Associates, March 26, 2014.

Groundwater Monitoring Well Installation Report, Former Vehicle Maintenance Facility, Pier 80, Port of San Francisco, LOP Case #10314, Weiss Associates, December 16, 2013.

Ground-Water Sampling and Analysis Report, Union Pacific / Army Street Site, Levine-Fricke, April 27, 1992.

Human Health and Ecological Risk Assessment, Former Western Pacific Property, Port Site, Geomatrix Consultants, September 2000.

Limited Environmental Site Characterization, Pier 80 Sewer Improvements, Langan, 8/21/15.

Port of San Francisco and Tenants, Annual Group Evaluation Report (Stormwater), 2013/2014, Port of San Francisco, June 16, 2014.

Port of San Francisco and Tenants, Annual Group Evaluation Report (Stormwater), 2012/2013, Port of San Francisco, 2012/2013.

Removal of Underground Tanks, Pier 80, Harding Lawson Associates, October 1, 1987.

Report of Preliminary Geotechnical Evaluation for Site Development at the Western Pacific Railroad Site Development Re-Evaluation of the WPRR Site for a 12-Acre Site Development, Metro East Maintenance Facility Muni-third Street Light Rail Project Pier 80, Dames & Moore, August 11, 1997.

Results of Chemical, Physical and Bioassay Testing of Sediments and Maintenance Dredging at Pier 80A, Advanced Biological Testing, October 5, 1998.

Results of Chemical, Physical and Bioassay Testing of Sediments and Maintenance Dredging at Pier 80B, Advanced Biological Testing, October 5, 1998.

Results of Chemical, Physical and Bioassay Testing of Sediments for Maintenance Dredging at Pier 80C, Advanced Biological Testing, July 16, 1998.

Results of Chemical, Physical and Bioassay Testing of Sediments for Maintenance Dredging at Pier 80D, Advanced Biological Testing, April 23, 1998.

Results of Sediment Sampling and Analysis, Pier 80A/B/C and Islais Creek Approach, Harding Lawson Associates, 8/14/00.

Sampling and Analysis Plan for Maintenance Dredging at Berth 80C and its Approach Channel, Advanced Biological Testing, May 28, 1998.

Sampling and Analysis Plan for Maintenance Dredging at Berth 80B and the Outer Portion of Islais Creek, Advanced Biological Testing, February 28, 1998.

Sampling and Analysis Plan for Maintenance Dredging at Berth 80C and its Approach Channel, Advanced Biological Testing, February 28, 1998.

Sampling and Analysis Plan for Maintenance Dredging at Berth 80D and its Approach Channel, Advanced Biological Testing, February 28, 1998.

Sampling and Analysis Plan, Maintenance Dredging at Berth 80A and the Inner Portion of Islais Creek, Advanced Biological Testing, July 23, 1998.

Sampling and Analysis Plan, Maintenance Dredging at Berth 80B and the Outer Portion of Islais Creek, Advanced Biological Testing, July 23, 1998.

Site Characterization Study, 25th and Illinois, for Standard Realty and Development Company, Dames & Moore, December 16, 1987.

Soil and Ground Water Investigation Report for a Former Underground Storage Tank Site, Pier 80, Port of San Francisco, San Francisco, CA, LOP Case # 10314, Weiss Associates, February 18, 2010.

Summary of Asbestos Abatement Work, Pipe Lagging Removal, 1st Floor Men's Room, M&R Building, Pier 80, San Francisco Department of Public Works, September 1992.

Summary Report: 2011 Soil and Groundwater Investigation & 2012 Secondary Source Removal for Former Vehicle Maintenance Facility Pier 80, Weiss Associates, 12/11/2012.

Summary Report: Hazardous Materials Testing; Port of Sf Pier 80 Sheds A and D Roofs, SCA Environmental, Inc., 11/2007.

SCHEDULE 4
ASBESTOS NOTIFICATION AND INFORMATION

NOTICE TO EMPLOYEES, OWNERS, LESSEES, SUBLESSEES, AGENTS AND CONTRACTORS

ASBESTOS IN BUILDINGS

FOR PERIOD THROUGH: March 2014

It is the responsibility of the master tenant to provide this notice to any subtenant within their leasehold.

In January of 1989, Assembly Bill 3713 was signed into law and added to the California Health and Safety Code. This bill provides for written notice to employees concerning specific matters related to working in a building with asbestos containing construction materials. It applies to building built before 1979 where the owner knows that the building contains asbestos-containing materials; it does not require that a building be surveyed to determine the presence of asbestos.

WHAT IS ASBESTOS?

Asbestos is a naturally occurring group of fibrous minerals which have been used extensively in public buildings, apartment buildings and homes. Asbestos was incorporated into pipe insulation, acoustic plaster, acoustic tile, duct and furnace insulation, floor tiles, textiles and hundreds of other building materials. In most City buildings, asbestos is located in insulation on piping systems, acoustic plaster on ceilings, acoustic ceiling tiles, vinyl asbestos floor tiles, and structural fireproofing. Asbestos may be found in soils as well, especially if soil is non-native or commingled with municipal waste (land fill).

WHY IS ASBESTOS HAZARDOUS?

Asbestos is a concern because of the potential health risks associated with breathing asbestos fibers. It is important for you to know that most people with asbestos-related diseases were asbestos workers before 1972. These workers were repeatedly exposed to high levels of asbestos each working day with little or no protection. Asbestos workers today are required to follow specific work practices and wear appropriate protection to minimize exposure.

Significant exposure to asbestos fibers can lead to asbestosis and certain forms of cancer. Asbestosis is one of the many dust-related lung diseases. It is associated with chronic exposure to relatively high levels of asbestos and is characterized by the permanent deposition of asbestos fibers in the respiratory tract. The earliest and most prominent clinical finding, breathlessness upon exertion, rarely becomes apparent until at least a decade of exposure.

In addition to asbestosis, the association of asbestos and lung cancer has been well established over the past two decades. Scientists have studied insulation and shipyard workers who were exposed to HIGH AIRBORNE LEVELS of asbestos. These studies indicated that asbestos workers were about five times as likely to get lung cancer as non-asbestos workers who did not smoke. Asbestos workers who also smoke were found to be at much greater risk (about 50 times) of dying of lung cancer than non-smoking non-asbestos workers. Mesothelioma, a rare form of cancer of the chest or abdominal cavity, occurs among occupational groups exposed to certain types of asbestos.

ASBESTOS SAMPLING RESULTS

A variety of exposure standards and health action levels have been established for various purposes:

The Occupational Safety and Health Administration (OSHA) asbestos standards (Title 29 of the Code of Federal Regulations), which apply to employees who actually work with asbestos, mandate a permissible exposure limit (PEL) of 0.1 fibers per cubic centimeter of air (f/cc) determined as an 8 hour time weighted average (TWA) and an excursion limit of 1 f/cc as a 30 minute TWA. When employees are exposed at these levels, OSHA and Cal/OSHA (Title 8 of the California Code of Regulations) require medical monitoring and other control methods.

NOTICE TO EMPLOYEES, OWNERS, LESSEES, SUBLESSEES, AGENTS AND CONTRACTORS

ASBESTOS IN BUILDINGS

FOR: Pier 80, Shed D / Facility #1800
FOR PERIOD THROUGH: March 2014

It is the responsibility of the master tenant to provide this notice to any subtenant within their leasehold.

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Asbestos is a naturally occurring group of fibrous minerals which have been used extensively in public buildings, apartment buildings and homes. Asbestos was incorporated into pipe insulation, acoustic plaster, acoustic tile, duct and furnace insulation, floor tiles, textiles and hundreds of other building materials. In most City buildings, asbestos is located in insulation on piping systems, acoustic plaster on ceilings, acoustic ceiling tiles, vinyl asbestos floor tiles, and structural fireproofing.

This notification includes the results of any air monitoring or bulk sampling for asbestos that has been conducted in your building during the previous calendar quarter. (This notice may also include older information of asbestos samples, for your information.)

WHY IS ASBESTOS HAZARDOUS?

Asbestos is a concern because of the potential health risks associated with breathing asbestos fibers. It is important for you to know that most people with asbestos-related diseases were asbestos workers before 1972. These workers were repeatedly exposed to high levels of asbestos each working day with little or no protection. Asbestos workers today are required to follow specific work practices and wear appropriate protection to minimize exposure.

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The Environmental Protection Agency (EPA) has recommended a "clearance level" for asbestos of 0.01 f/cc, as measured by phase contrast microscopy (PCM). If measured by the transmission electron microscopy (TEM) method described in 40 CFR Part 763, the Asbestos Hazard Emergency Response Act (AHERA), the clearance level is either 0.02 structure/cc or 70 structures per square millimeter of filter (s/mm^2). This means that once an operation involving asbestos (such as removal) is complete, the area is "safe" for re-occupancy as long as the asbestos air concentrations are less than or equal to the "clearance level". These same levels have also been adopted in the California Education Code (Section 494200.7) as the school abatement clearance level.

The state of California has an additional requirement relating to disclosure of the presence of asbestos. Proposition 65, which as voted into law by the state citizens, basically requires posting of area where anyone is exposed to a carcinogen at a level where there is a significant risk of cancer. The California Health and Welfare Agency has established this level at 100 fibers of asbestos per day.

GENERAL PROCEDURES AND HANDLING RESTRICTIONS

As you can see, the concern is with asbestos fibers in the air. When asbestos materials are in good condition, it is unlikely that fibers will be released into the air, unless the asbestos materials are damaged or disturbed. Asbestos-containing materials must not be disturbed so that fibers do not get into the air. Do not cut into, drill into, nail or pin anything onto, sand, move, bump, rub against or otherwise disturb any asbestos containing materials. If you should discover any damaged asbestos-containing material, do not touch it; do not attempt to clean it up. Contact your supervisor or property manager immediately and report the situation.

City employees required to enter areas and perform work activities that might involve the disturbance of asbestos materials have been trained in the proper procedures to minimize exposure. Work that requires major disturbances of asbestos materials (such as removal) is performed under specifications which include work practice procedures, removal techniques, clean up and clearance air sampling.

If any construction, maintenance, or remodeling is conducted in an area of the building where there is the potential for employees to come in contact with, or release or disturb asbestos containing building materials, it is required that the area be posted with a clear and conspicuous warning sign. The warning sign must read:

"CAUTION. ASBESTOS
CANCER AND LUNG DISEASE HAZARD
DO NOT DISTURB WITHOUT PROPER TRAINING AND EQUIPMENT"

Much of this information may be new to you. If you have questions about asbestos, you may call the Department of Public Health Toxic Substances Control Program at 252-3800 to answer your questions.

This written announcement fulfills the asbestos notification requirement of Division 20, Chapter 10.4, Section 25915 of the California Health and Safety Code (Assembly Bill 3713).

SITE-SPECIFIC INFORMATION

The following pages are a summary of asbestos bulk sampling or air monitoring results that have been conducted at Pier 80, Shed D / Facility #1800. Copies of the full sampling report(s) are available for review and photocopying at the Port of San Francisco Environmental Health and Safety Office (Pier 1, S.F.) between the hours of 8 a.m. and 5 p.m. The asbestos coordinator for this building is Tim Felton who can be reached at (415) 274-0582.

PORT of San Francisco Asbestos Summary

Facility# 1800

Pier 80

Shed D

Pier 80 - Shed D

Survey Date	Room or Area	Contents of Survey / Description of ACM	Handling Procedures and Restrictions	Abated
11/20/2007	Roof	The black/gray roofing mastic at seams located around the access hatches contain 30-40% chrysotile asbestos. (SCA Niovember 2007)	Do not distrub this material.	No
11/20/2007	Roof	The tar and roofing felt over plywood at the access hatches of both roofs was found to contain 30-40% chrysotile asbestos. (SCA November 2007)	Do not disturb this material.	No
12/7/2005	Throughout building	The vapor barrier under the building is assumed to contain asbestos. (SCA December 2005)	Do not disturb vapor barrier.	No
12/7/2005	Office area	The white 9" x 9" floor tiles with tan streaks and black mastic over concrete were found to contain 20% chrysotile asbestos. (SCA December 2005)	Do not cut into, drill into, sand, remove or disturb floor tile.	No
12/7/2005	Office area, 1st and 2nd floor	The sheetrock ceiling board and mud with white paint was found to contain 3% chrysotile asbestos. (SCA December 2005)	Do not drill into, cut into, sand, remove or disturb joints on drywall	No
12/7/2005	Office area	The fire doors are assumed to contain asbestos. (SCA December 2005)	Do not cut into, drill into, sand, remove or disturb fire door.	No

NOTICE TO EMPLOYEES, OWNERS, LESSEES, SUBLESSEES, AGENTS AND CONTRACTORS

ASBESTOS IN BUILDINGS

FOR: Pier 80 Shed A / Facility #1800
FOR PERIOD THROUGH: March 2014

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SITE SPECIFIC INFORMATION

The following pages are a summary of asbestos bulk sampling or air monitoring results that have been conducted at Pier 80 Shed A / Facility #1800. Copies of the full sampling report(s) are available for review and photocopying at the Port of San Francisco Environmental Health and Safety Office (Pier 1, S.F.) between the hours of 8 a.m. and 5 p.m. The asbestos coordinator for this building is Tim Felton who can be reached at (415) 274-0582.

PORT of San Francisco Asbestos Summary

Facility# 1800

Pier 80

Shed A

Pier 80 - Shed A

Survey Date	Room or Area	Contents of Survey / Description of ACM	Handling Procedures and Restrictions	Abated
11/20/2007	Roof	The black/gray roofing mastic at seams located around the access hatches contain 30-40% chrysotile asbestos. (SCA Niovember 2007)	Do not disturb this material.	No
11/20/2007	Roof	The tar and roofing felt over plywood at the access hatches of both roofs was found to contain 30-40% chrysotile asbestos. (SCA November 2007)	Do not disturb this material.	No

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Pier 1 The Embarcadero
San Francisco, CA 94111
www.sfport.com
415-274-0400

June 5, 2026

To:
President Gail Gilman
Vice President Stephen Engblom
Commissioner Willie Adams
Commissioner Steven Lee
Commissioner Ken McNeely

From:
Michael Martin, Acting Executive Director

DocuSigned by:
Michael Martin
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Subject:
Request approval of a First Amendment to Management Agreement 16114 ("Agreement") with Pasha Automotive Services ("Pasha"), a California corporation.

Acting Executive Director's Recommendation:
Approve the Attached Resolution No. 26-37

EXECUTIVE SUMMARY

The Port entered into a Management Agreement (Agreement) with Pasha Automotive Services (Pasha) on July 1, 2016, giving Pasha the exclusive right to provide services to marine terminal users at the Pier 80 Terminal for a fifteen (15) year term with the option to extend the Agreement for two (2) additional successive five (5) year periods.

Over the term of the Agreement to date, Pasha has provided a high level of professional and operational services with no complaints from current and previous terminal users. However, revenues and job creation have not materialized as Pasha originally projected in 2016, and current projections indicate a continued downward trend of maritime-related automobile import/export services. With these and other changes in the terminal's operating environment more fully detailed below, Port staff determined that the terms of the Agreement no longer matched up with the Port's business goals. Accordingly, Port staff has negotiated a first amendment to the Agreement with Pasha to stabilize and potentially increase the Port's revenue generated from Pier 80 services and activities, also as more fully described below. Port staff recommends approval of the proposed amendments as a means to stabilize and potentially increase revenue for this valuable Port asset.

THIS PRINT COVERS CALENDAR ITEM NO. 12A

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STRATEGIC PLAN OBJECTIVES

The proposed item supports the Port's 2026-30 Strategic Plan by advancing the following goals:

Economic Growth
Allowing more entertainment and corporate events at Pier 80 creates new jobs on the waterfront for nearby community restaurants and hospitality by providing pop-up vending stands at Pier 80 events.

Evolve
Allowing additional entertainment and corporate events and cruise vessels to depart from Pier 80 expands and enhances the public's waterfront experience, provides additional access to the public, and makes Pier 80 an economically successful destination that supports San Francisco and the region.

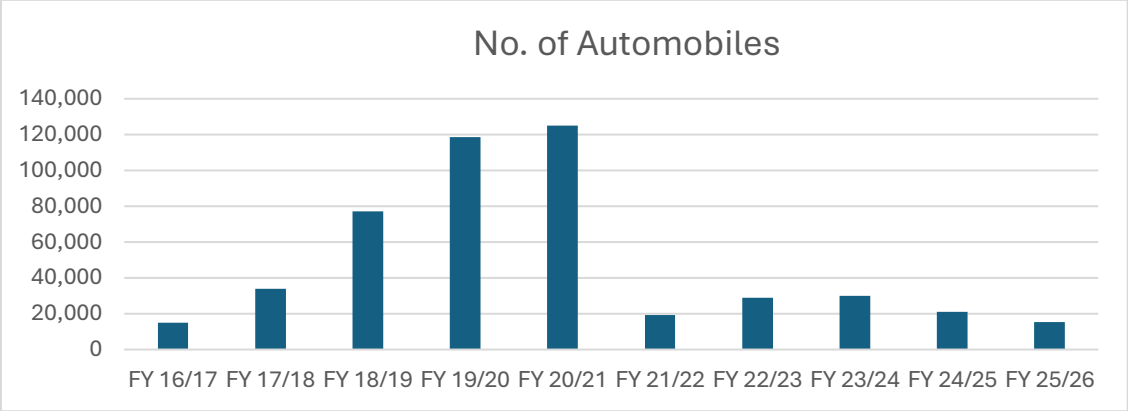
Public Collaboration
Pasha and its event organizers have and will continue to communicate closely with nearby community organizations such as the Port's Southern Waterfront Advisory Committee and the Dogpatch Business Association to share information about upcoming events, hiring, and small business opportunities, and post-event feedback.

BACKGROUND

As noted above, the Port entered into a Management Agreement with Pasha on July 1, 2016, giving Pasha the exclusive right to provide services to marine terminal users at the Pier 80 Terminal for a fifteen (15) year term with the option to extend the Agreement for two (2) additional successive five (5) year periods. Pursuant to the Management Agreement, the Port agreed to pay Pasha a monthly management fee of $50,000 to market the terminal, manage operations, keep it clean and safe for customers and laborers, and provide security of the terminal. In return, both parties agreed to share revenues generated at the terminal.

During the first five years of Pasha marketing and operating the terminal, the number of automobiles increased year after year, reaching a peak of 125,174 automobiles for fiscal year 2020/21, as shown in the graph below. However, the following fiscal year (FY 21/22) experienced a severe drop in the number of vehicles, and the years that followed have not seen much improvement.

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Even though Pasha has provided a high level of professional and operational services with no complaints from current and previous terminal users, automobile throughput has not continued to materialize as Pasha originally projected in 2016. While FY21/22 may have been impacted by the COVID pandemic and global economic slowdown, according to Pasha, the major and continuing shifts are mostly attributed to automobile market dynamics. Tesla, Pasha's primary customer at Pier 80, opened new manufacturing plants in China and Germany for cars sold in those regions, which impacted the number of cars built at its Fremont, CA, factory and exported from Pier 80. In addition to Tesla's new foreign factories, the EV global market has become more competitive and has eroded Tesla's foreign export market share. In previous years, Tesla had provided Pasha with a minimum annual guarantee (MAG) for the number of cars it would export; last year (2025), Tesla did not commit to a MAG.

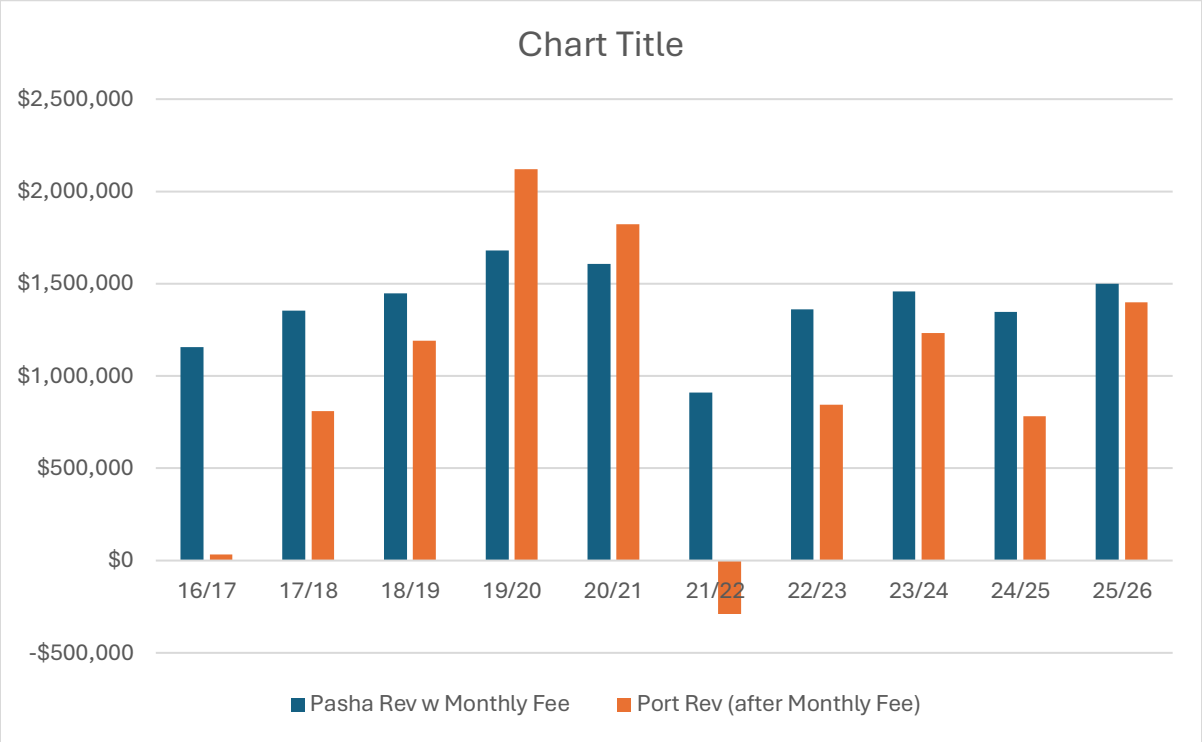
Pasha was able to generate some new business by handling Toyota and GM cars and trucks imported from their respective factories in Mexico and destined for U.S. West Coast markets; however, the number of vehicles has not made up for the decrease in Tesla's business. There continues to be uncertainty in automobile import markets due to the impact of US tariffs and global fuel price increases. In addition, other than one import breakbulk cargo (underwater digital cable), Pasha has not been successful in generating additional revenues from other cargoes.

Port staff became increasingly concerned with its Pier 80 automobile business after the severe drop in FY21/22. The Agreement's 15-year term means that Port staff have less control of revenues to shore up the financial downtrend. In 2022, Port staff were approached by Non-Plus Ultra, promoter of the Portola Music Festival, requesting the Port to consider holding a festival at Pier 80. Upon learning that the Port could generate significant revenue ($999,450) and provide public benefit by hosting Portola at Pier 80, Port staff, in coordination with Pasha, agreed to enter into a license agreement with NPU for the first festival in the fall of 2022. The festival has successfully continued annually through 2025, with plans for continuation of the festival.

Although Portola and other recent events (Sail GP, New Year's Eve, and Super Bowl parties) have helped to partially mitigate the loss in automobile revenues, the Port's revenue under the Agreement from Pier 80 in comparison to Pasha's has been disproportionately less. The disparity is attributed to the monthly $50,000 ($600,000

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annually) management fee the Port continues to pay Pasha, as shown in the following graph.



The monthly management fee was intended to pay Pasha's marketing and operating expenses for the automobile business, which has decreased significantly with no signs of substantial improvement. Port staff approached Pasha's management to share its financial concerns, which led to discussions to amend the Agreement.

PROPOSED AMENDMENTS

The following are the key terms of the Agreement proposed by Port staff:

1. Discontinue $50,000 monthly Management Fee:
   This will result in an immediate positive impact and save $600,000/year.

2. New revenue sharing program and allowance for more events:
   a. 40/60 split of gross tariff revenues up to $4.5 million. 40% for Port; 60% for Pasha. Pasha would receive 100% of tariff revenues in excess of $4.5M.
   b. 50/50 split of event revenues (including Portola).

3. Restructure Pasha's exclusive use of terminal:
   Port and its cruise ship operator, Metro Services, will be able to use up to 15 acres of the Pier 80 facility for cruise ship services. Port will credit Pasha for up to $2,000 per cruise ship call to cover confirmed management costs that Pasha may encounter when preparing the terminal (moving automobiles) for when a cruise ship is scheduled to arrive.

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PREMISES

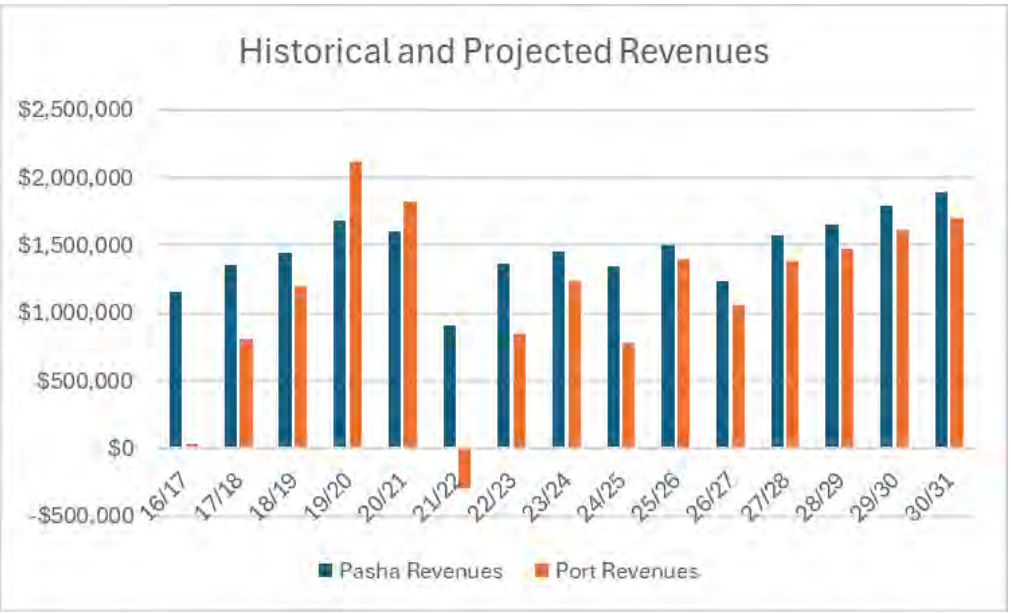
Pier 80 Marine Terminal



ANALYSIS

The proposed Agreement aligns with the Port's objectives to monitor the financial conditions of its revenue-generating assets and take corrective actions when necessary to minimize financial instability. New revenues from increasing the number of events allow Pasha to make up the difference from the discontinued monthly fee as shown in the following graph.

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The amendment clarifies the Port and Pasha's rights with respect to cruise ship operations, which will present new opportunities for the Port to expand its cruise ship business and the potential of increasing revenues. Port staff believe that the negotiated terms are reasonable, equitable, and sustainable and recommend approving this First Amendment to Management Agreement 16114.

RECOMMENDATION

Port staff recommend that the Port Commission approve the attached resolution authorizing the Executive Director to enter into the proposed First Amendment to Management Agreement with Pasha, and authorize the Executive Director to forward the First Amendment to Management Agreement to the Board of Supervisors for approval, and upon the effectiveness of such approval, authorize the Executive Director or designee to execute the First Amendment to Management Agreement.

Prepared by:
Charles Labitan, Manager, Business Development
Maritime

For:
Dominic Moreno, Acting Deputy Director
Maritime

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PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 26-36

WHEREAS, Charter Section B3.581 empowers the Port Commission with the power and duty to use, conduct, operate, maintain, manage, regulate, and control the Port area of the City and County of San Francisco; and

WHEREAS, Pasha Automotive Services, a California corporation ("Pasha"), an established operator of several marine terminals on the U.S. West Coast, entered into Management Agreement 16114, dated for reference purposes as of April 12, 2016, with the Port to manage and operate the Port's Pier 80 terminal predominantly for automobile import and export; and

WHEREAS, Management Agreement 16114 payment terms were based on a tiered revenue sharing program based on annual gross tariff revenues generated at the facility, and a $50,000 monthly management fee paid by the Port to Pasha; and

WHEREAS, Changes in the automobile market have negatively impacted the number of automobiles exported and imported through Pier 80, significantly decreasing annual gross tariff revenues since 2021; and

WHEREAS, Payment of the monthly management fee and the tiered revenue sharing program is no longer beneficial to the Port; and

WHEREAS, In addition, the Port desires to use Pier 80 as additional space for cruise ship operations and for non-maritime special events such as the Portola Music Festival, both resulting in increased revenues generated from the facility; and

WHEREAS, Port staff and Pasha have negotiated the First Amendment to Management Agreement that eliminates the monthly management fee, restructures the tiered revenue sharing program, clarifies the Port's ability to the use the facility for cruise operations, and addresses limited use of the facility for non-maritime special events, as described in the memorandum accompanying this Resolution, and a copy of which is on file with the Commission Secretary (the "First Amendment"); and

WHEREAS, The First Amendment requires approval by the Board of Supervisors; now, therefore be it

RESOLVED, That the Port Commission hereby approves the First Amendment in substantially the same form as on file with the Commission Secretary, subject to approval by the Board of Supervisors; and be it further

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RESOLVED, That the Port Commission recommends that the Board of Supervisors approve the First Amendment; and be it further

RESOLVED, That, upon approval, the Port Commission authorizes the Acting Executive Director, or the Acting Executive Director's designee, to execute the First Amendment; and be it further

RESOLVED, That the Port Commission authorizes the Acting Executive Director or the Acting Executive Director's designee, to enter into any additions, amendments or other modifications to Management Agreement 16114 that the Acting Executive Director, in consultation with the City Attorney, determines are in the best interest of the Port, do not materially increase the obligations or liabilities of the Port or materially decrease the public benefits accruing to the Port, and are necessary and advisable to complete the transaction and effectuate the purpose and intent of this Resolution, such determination to be conclusively evidenced by the execution and delivery by the Acting Executive Director of any such documents.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting on June 9, 2026.

DocuSigned by:
Jenica Liu
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Secretary

San Francisco Ethics Commission
25 Van Ness Avenue, Suite 220, San Francisco, CA 94102
Phone: 415.252.3100 · Fax: 415.252.3112

Filing Information

Record Number	SFEC126F000153636
Status	BOS Legislative Clerk Acceptance
SFEC126f Form Type	126f4 BOS
File Number (BOS)	260744
Type of Filing	Original

Contractor Information

Contractor Name	Pasha Automotive Services
Contractor Email	Michael_Johnson@pashanet.com
Contractor Phone #	(415) 927-6315
International Address?	No
Contractor Address (US)	2370 Kerner BLVD, Suite 200
Contractor City and State	San Rafael - CA
Contractor Zip Code	94901
Country	United States of America

Contract Information

Contract Amount

$0.00

Description of Amount of Contract

Management Agreement payment terms were based on a tiered revenue sharing program based on annual gross tariff revenues generated at the facility, and a $50,000 monthly management fee paid by the Port to Pasha. This legislation will discontinue the $50,0000 month management fee paid by the Port.

Contract Description

Amendment to Management Agreement with Pasha Automotive Services established on July 1, 2016, giving Pasha the exclusive right to provide services to marine terminal users at the Pier 80 Terminal for a fifteen (15) year term with the option to extend the Agreement for two (2) additional successive five (5) year periods. The amendment will discontinue a $50,000 monthly Management Fee paid by the Port to Pasha resulting in $600K for the Port, adopt revised revenue sharing and special event provisions to allow for events like the Portola Music Festival, and restructure Pasha's exclusive use of the Port's Pier 80 terminal.

City Agency - Departmental Contact Information

Departmental Contact

Boris Delepine

Departmental Contact Phone #

+14152740443

Full Department Name

PRT - Port Commission

Agency Contact Email

boris.delepine@sfport.com

Contract Approval

Mayoral Approval Not Required

false

Affiliates and subcontractors

Entity Type	First Name	Last Name	Entity or Sub/Contractor Name
Board of Directors	George	Pasha	Pasha Automotive Services
Board of Directors	Clinton	McNair	Pasha Automotive Services
CEO	George	Pasha	Pasha Automotive Services
Other Principal Officer	John	Pasha	Pasha Automotive Services
Other Principal Officer	Chris	Hamlin	Pasha Automotive Services
Other Principal Officer	Michael	Johnson	Pasha Automotive Services
Other Principal Officer	Joseph	Doherty	Pasha Automotive Services

Introduction Form

(by a Member of the Board of Supervisors or the Mayor)

I hereby submit the following item for introduction (select only one):

- [x] 1. For reference to Committee (Ordinance, Resolution, Motion or Charter Amendment)
- [ ] 2. Request for next printed agenda (For Adoption Without Committee Reference)
  (Routine, non-controversial and/or commendatory matters only)
- [ ] 3. Request for Hearing on a subject matter at Committee
- [ ] 4. Request for Letter beginning with "Supervisor _____ inquires…"
- [ ] 5. City Attorney Request
- [ ] 6. Call File No. _____ from Committee.
- [ ] 7. Budget and Legislative Analyst Request (attached written Motion)
- [ ] 8. Substitute Legislation File No. _____
- [ ] 9. Reactivate File No. _____
- [ ] 10. Topic submitted for Mayoral Appearance before the Board on _____

The proposed legislation should be forwarded to the following (please check all appropriate boxes):

☐ Small Business Commission ☐ Youth Commission ☐ Ethics Commission

☐ Planning Commission ☐ Building Inspection Commission ☐ Human Resources Department

General Plan Referral sent to the Planning Department (proposed legislation subject to Charter 4.105 & Admin 2A.53):

☐ Yes ☐ No

(Note: For Imperative Agenda items (a Resolution not on the printed agenda), use the Imperative Agenda Form.)

Sponsor(s):

Walton

Subject:

First Amendment to Management Agreement – Pasha Automotive Services

Long Title or text listed:

Resolution authorizing the Port of San Francisco ("Port") to execute the First Amendment to Management Agreement 16114 between the Port Commission and Pasha Automotive Services, a California corporation ("Pasha"), amending Management Agreement 16114 to: (1) discontinue a $50,000 monthly Management Fee paid by the Port to Pasha, (2) adopt revised revenue sharing and special event provisions, (3) restructure Pasha's exclusive use of the Port's Pier 80 terminal; and (4) authorize the Port to enter into amendments or other modifications to the First Amendment to Management Agreement 16114 that do not materially increase the obligations or liabilities to the City or the Port.

Signature of Sponsoring Supervisor: Walton