



**CITY AND COUNTY OF SAN FRANCISCO  
MARK FARRELL, MAYOR**

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**MASTER LEASE**

**LEASE NO. L-16390**

**BETWEEN THE**

**THE CITY AND COUNTY OF SAN FRANCISCO  
OPERATING BY AND THROUGH THE  
SAN FRANCISCO PORT COMMISSION**

**AS LANDLORD**

**AND**

**FC PIER 70, LLC**

**AS TENANT**

**DATED AS OF MAY 2, 2018**

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**ELAINE FORBES  
EXECUTIVE DIRECTOR**

**SAN FRANCISCO PORT COMMISSION**

**KIMBERLY BRANDON, PRESIDENT  
WILLIE ADAMS, VICE- PRESIDENT  
LESLIE KATZ, COMMISSIONER  
DOREEN WOO HO, COMMISSIONER**

## TABLE OF CONTENTS

	<u>Page</u>
1. PREMISES; DEMISE .....	2
1.1. Premises .....	2
1.2. Limitations .....	5
(a) Permitted Encumbrances .....	5
(b) Subsurface Mineral Rights.....	5
(c) AS IS WITH ALL FAULTS.....	5
(d) Title Defect .....	7
(e) No Light, Air or View Easement .....	7
(f) Unique Nature of Premises .....	7
1.3. Memorandum of Technical Corrections .....	7
2. TERM .....	7
3. RENT .....	7
4. USES.....	7
4.1. Uses within Premises .....	7
4.2. Advertising and Signs .....	7
4.3. Construction Staging.....	8
4.4. Limitations on Uses by Tenant .....	8
4.5. Liquidated Damages for Repeat Prohibited Uses .....	9
5. DEVELOPMENT PROJECTS.....	10
5.1. Generally.....	10
5.2. Pier 70 .....	10
6. TAXES AND ASSESSMENTS .....	12
6.1. Payment of Taxes and Other Impositions.....	12
6.2. CFD Matters and Shortfall Provisions.....	13
6.3. Port's Right to Pay .....	15
7. CONTESTS .....	15
8. COMPLIANCE WITH LAWS.....	15
8.1. Tenant's Obligation to Comply .....	15
8.2. Unforeseen Requirements.....	16

9.	REGULATORY APPROVALS .....	16
9.1.	Port Acting as Owner of Property.....	16
9.2.	Regulatory Approval; Conditions.....	17
10.	TENANT’S MANAGEMENT AND OPERATING COVENANTS.....	18
10.1.	Construction of the Horizontal Improvements .....	18
10.2.	Mitigation Monitoring and Reporting Program.....	18
10.3.	Special Events.....	18
10.4.	Parking Operations.....	18
10.5.	Transportation Demand Management Plan .....	19
10.6.	Pier 70 Risk Management Plan.....	19
11.	REPAIR AND MAINTENANCE .....	19
11.1.	Covenants to Repair and Maintain the Premises .....	19
11.2.	Port’s Right to Inspect .....	20
11.3.	Right to Repair.....	20
11.4.	Maintenance Notice .....	21
12.	HORIZONTAL IMPROVEMENTS .....	21
12.1.	Tenant’s Obligation to Construct the Horizontal Improvements.....	21
12.2.	Tenant’s Obligation to Make Horizontal Improvements Available for Use Prior to Acceptance.....	21
12.3.	Title to Improvements.....	21
13.	SUBSEQUENT CONSTRUCTION.....	22
13.1.	Port Approval.....	22
13.2.	Construction Schedule .....	22
13.3.	Construction.....	22
13.4.	Safety Matters .....	23
13.5.	Record Drawings .....	23
14.	UTILITY SERVICES.....	24
14.1.	Utility Services.....	24
14.2.	Electricity.....	25
14.3.	Energy Consumption .....	25
14.4.	Waiver.....	25
15.	DAMAGE OR DESTRUCTION.....	25
15.1.	Damage or Destruction .....	25

16.	CONDEMNATION.....	26
	16.1. General; Notice; Waiver .....	26
	16.2. Total Condemnation.....	26
	16.3. Substantial Condemnation, Partial Condemnation .....	26
	16.4. Awards.....	27
	16.5. Temporary Condemnation .....	28
	16.6. Personal Property .....	28
17.	LIENS .....	28
	17.1. Liens.....	28
	17.2. Mechanics' Liens .....	28
18.	ASSIGNMENT AND SUBLETTING .....	28
	18.1. Transfers .....	28
	18.2. No Release of Tenant's Existing Liability or Waiver by Virtue of Consent ....	28
	18.3. Sublease .....	28
	18.4. Acknowledgements.....	29
	18.5. Mortgaging of Leasehold.....	29
	18.6. Assignment of Rents .....	29
	18.7. No Release of Tenant.....	29
19.	INDEMNIFICATION OF PORT .....	30
	19.1. General Indemnification of the Indemnified Parties.....	30
	19.2. Hazardous Materials Indemnification.....	30
	19.3. Scope of Indemnities; Obligation to Defend .....	31
	19.4. Exclusions from Indemnifications; Waivers and Releases.....	31
	19.5. Survival.....	32
	19.6. Defense .....	32
	19.7. Waiver.....	33
20.	INSURANCE.....	34
	20.1. Required Insurance Coverage .....	34
	20.2. General Requirements.....	37
	20.3. Release and Waiver.....	38
21.	HAZARDOUS MATERIALS .....	38
	21.1. Compliance with Environmental Laws.....	38
	21.2. Tenant Responsibility .....	38

21.3.	Tenant’s Environmental Condition Notification Requirements .....	39
21.4.	Remediation Requirement .....	40
21.5.	Pesticide Prohibition .....	41
21.6.	Additional Definitions .....	41
22.	PORT’S RIGHT TO PAY SUMS OWED BY TENANT.....	43
22.1.	Port May Pay Sums Owed by Tenant Following Tenant’s Failure to Pay .....	43
22.2.	Tenant’s Obligation to Reimburse Port .....	43
23.	EVENTS OF DEFAULT .....	43
23.1.	Events of Default .....	43
23.2.	Special Provisions Concerning Mortgagees and Events of Default .....	45
24.	REMEDIES.....	45
24.1.	Port’s Remedies Generally .....	45
24.2.	Right to Keep Lease in Effect.....	45
24.3.	Port’s Right to Cure Tenant’s Default .....	47
24.4.	Termination of Tenant’s Right to Possession .....	48
24.5.	Continuation of Subleases and Other Agreements .....	49
24.6.	Appointment of Receiver.....	49
24.7.	Waiver of Redemption.....	49
24.8.	Remedies Not Exclusive.....	49
25.	EQUITABLE RELIEF.....	49
26.	NO WAIVER.....	49
26.1.	No Waiver by Port or Tenant.....	49
26.2.	No Accord or Satisfaction.....	49
27.	DEFAULT BY PORT; TENANT’S REMEDIES .....	50
27.1.	Default by Port.....	50
27.2.	Tenant's Exclusive Remedies.....	50
28.	TENANT’S RECOURSE AGAINST PORT .....	50
28.1.	No Recourse Beyond Value of Property Except as Specified .....	50
28.2.	No Recourse Against Specified Persons.....	50
28.3.	Nonliability of Tenant’s Members, Partners, Shareholders, Directors, Officers and Employees.....	50
29.	LIMITATIONS ON LIABILITY .....	50
29.1.	Waiver of Indirect or Consequential, Incidental, Punitive and Special Damages	50

29.2.	Limitation on Parties' Liability Upon Transfer .....	51
30.	ESTOPPEL CERTIFICATES .....	51
30.1.	Estoppel Certificate by Tenant.....	51
30.2.	Estoppel Certificate by Port.....	51
31.	APPROVALS BY PORT; STANDARD OF REVIEW; FEES FOR REVIEW .....	52
31.1.	Approvals by Port .....	52
31.2.	Standard of Review.....	52
31.3.	Fees for Review .....	52
32.	NO MERGER OF TITLE.....	52
33.	QUIET ENJOYMENT.....	52
34.	SURRENDER OF PREMISES.....	53
34.1.	Conditions of Premises .....	53
34.2.	Demolition of Improvements.....	53
34.3.	Subleases.....	53
34.4.	Personal Property .....	54
34.5.	Quitclaim.....	54
34.6.	Survival.....	54
35.	NOTICES.....	54
35.1.	Notices .....	54
35.2.	Form and Effect of Notice .....	55
36.	INSPECTION OF PREMISES BY PORT .....	55
36.1.	Entry for Inspection .....	55
36.2.	Entry for Horizontal Improvements.....	55
36.3.	General Entry .....	55
36.4.	Emergency Entry .....	56
36.5.	No Liability.....	56
36.6.	Nondisturbance .....	56
36.7.	Subtenant Agreement.....	56
37.	MORTGAGES.....	56
38.	NO JOINT VENTURE.....	56
39.	ECONOMIC ACCESS.....	56
40.	REPRESENTATIONS AND WARRANTIES OF TENANT .....	57
41.	SPECIAL PROVISIONS.....	58

42.	GENERAL.....	58
42.1.	Time of Performance .....	58
42.2.	Interpretation of Agreement.....	58
42.3.	Successors and Assigns.....	59
42.4.	No Third-Party Beneficiaries.....	59
42.5.	Real Estate Commissions.....	59
42.6.	Counterparts.....	59
42.7.	Entire Agreement.....	59
42.8.	Amendment.....	59
42.9.	Governing Law; Selection of Forum .....	59
42.10.	Recordation .....	60
42.11.	Attorneys' Fees .....	60
42.12.	Severability .....	60
42.13.	Tenant's Cost.....	60
43.	DEFINITION OF CERTAIN TERMS .....	60

**Exhibits and Schedules:**

Exhibit A-1	Legal Description of Property and the Annexation Sites
Exhibit A-2	Site Plan
Exhibit B	Description of Louisiana Site
Exhibit C	Form of Partial Release of Master Lease
Exhibit D	Rent
Exhibit E	Permitted Title Exceptions
Exhibit F	CFD Matters
Exhibit G	Mitigation Monitoring and Reporting Program
Exhibit H	Special Event Procedures
Exhibit I	Workforce Development Plan
Exhibit J	Form of Subtenant Estoppel Certificate
Exhibit K	Form of Tenant Estoppel Certificate
Exhibit L	Form of Port Estoppel Certificate
Exhibit M	Lender's Rights
Exhibit N	Port and City Special Provisions
Exhibit O	Memorandum of Lease
Schedule B	Project Approvals
Schedule 1.1	Partial Release Procedures for Horizontal Improvement Parcels
Schedule 14.3	Disclosure Summary Sheet

**BASIC LEASE INFORMATION**

<u>Lease Date:</u>	May 2, 2018
<u>Lease Number:</u>	<b><u>L-16390</u></b>
<u>Landlord or Port:</u>	<b>CITY AND COUNTY OF SAN FRANCISCO,</b> a municipal corporation, operating by and through the <b>SAN FRANCISCO PORT COMMISSION</b>
<u>Landlord's Address:</u>	Port of San Francisco Pier 1 San Francisco, California 94111 Attention: Director of Real Estate  Telephone: (415) 274-0400 Facsimile: (415) 274-0494
<u>Tenant:</u>	FC Pier 70, LLC, a Delaware limited liability company
<u>Tenant's Contact Person:</u>	Jack Sylvan, Senior Vice-President
<u>Tenant's Address:</u>	c/o Forest City 875 Howard St. Ste. 330 San Francisco, CA 94103
<u>Tenant's Billing Address:</u>	c/o Forest City 875 Howard St. Ste. 330 San Francisco, CA 94103 Attn: Jack Sylvan, Senior Vice President
<u>Premises:</u>	As of the Commencement Date, the Premises consists of:  A portion of that certain real property known as Pier 70, consisting of approximately 28 acres bounded by Illinois Street on the west, 22 <sup>nd</sup> Street on the south, and San Francisco Bay on the north and east in the City and County of San Francisco, State of California, together with any and all Improvements and Subsequent Construction thereto as further described on <b><i>Exhibit A-1</i></b> (the " <b>Property</b> "), together with all rights and privileges appurtenant to the Property and owned by Port, and the Improvements hereafter constructed on the Property (the " <b>Premises</b> ") generally shown on the Site Plan attached hereto as <b><i>Exhibit A-2</i></b> .  The Property and Premises will initially exclude the following areas (each an " <b>Annexation Site</b> "): (1) the building commonly known as the Noonan Building or Building 11, along with certain



	<p>areas adjacent to Building 11, as further described as Parcel 3 (Building 11 Site) on <i>Exhibit A-1</i> attached hereto (the “Building 11 Site”), (2) the area currently leased by Port to Affordable Self Storage, Inc. (“Affordable Self Storage”) pursuant to that certain Lease No. L15690 and L-15691 between Port and Affordable Self Storage, as further described as Parcel 1 (Affordable Self Storage Lease Area) on <i>Exhibit A-1</i> attached hereto (“Affordable Self Storage Site”), (3) a portion of the building commonly known as Building 21, along with certain areas adjacent to Building 21, as further described as Parcel 2 on <i>Exhibit A-1</i> attached hereto (“Building 21 Site”), (4) a portion of the Affordable Self Storage Site to be used by PG&amp;E pursuant to that certain License L-14749 between Port and PG&amp;E (as amended) (“PG&amp;E Remediation Site”), and (5) an SFPUC pump station, along with certain areas adjacent to the SFPUC pump station, as further described as Parcel 4 (Pump Station) on <i>Exhibit A-1</i> (the “Pump Station Site”).</p> <p>In addition, the area adjacent to, and north of, the Premises within and near Louisiana Street, currently leased by Historic Pier 70, LLC pursuant to that certain Lease No. L-15814, as further depicted on <i>Exhibit B</i> attached hereto (“Louisiana Site”) may be added to the Property after the Effective Date in accordance with the terms of <i>Section 1.1(b)(iii)</i>.</p> <p>The Property also excludes any utility infrastructure owned or operated by a City Agency or private utility (i.e., PG&amp;E) located within the Premises unless and until any utility infrastructure owned or operated by a City Agency is repaired, relocated, or replaced by the Master Developer in connection with the construction of the Horizontal Improvements in which event, such utility infrastructure will become a part of the Premises as of the date the Master Developer commences such work until such work is accepted by the applicable City Agency or otherwise acquired by a private utility and released from the Premises in accordance with <i>Section 1.1(b)(ii)</i>.</p> <p>The Premises are subject to adjustment as provided in <i>Section 1.1(b)</i> (Adjustment of Premises for Development) of this Lease.</p>
<u>Length of Term:</u>	Twenty-five (25) years unless earlier terminated or otherwise extended in accordance with the DDA.
<u>Commencement Date:</u>	May ____, 2018.
<u>Expiration Date:</u>	May [____], 2043, unless earlier terminated or otherwise extended in accordance with the DDA.
<u>Permitted Use:</u>	<p>The Premises will be used solely for the Primary Permitted Use and Ancillary Permitted Uses described below:</p> <p>Tenant will primarily use the Premises for the following three (3) uses (collectively, the “Primary Permitted Uses”):</p>

	<p>(i) development of the Horizontal Improvements</p> <p>(ii) construction of temporary streets for the benefit of the Horizontal Improvements, Vertical Improvements and Annexation Sites; and</p> <p>(iii) one or more surface parking lots in accordance with <b>Section 10.4</b> (Parking Operations).</p> <p>So long as the Primary Permitted Uses are not materially and adversely affected, the Premises may also be used for the following ancillary uses (collectively, the “Ancillary Permitted Uses”):</p> <p>(i) construction staging in connection with the development of Horizontal Improvements or Vertical Improvements, subject to <b>Section 4.3</b> (Construction Staging);</p> <p>(ii) Special Events, subject to Port’s right to terminate Tenant’s ability to hold Special Events, as further described in <b>Section 24.1(b)</b> subject to the procedures attached hereto as <b>Exhibit H</b>;</p> <p>(iii) model units and sales/leasing offices relating to Vertical Improvements; and</p> <p>(iv) any other uses authorized by the Port in writing, which authorization may be withheld in Port’s sole discretion.</p>
<u>Base Rent:</u>	\$1.00/year.
<u>Other Rent:</u>	As further described in <b>Exhibit D</b> (Rent) attached hereto, Tenant will pay Percentage Rent to Port from and after the Commencement Date and throughout the Term. Port will apply one hundred percent (100%) of the Percentage Rent as Land Proceeds as provided under Section 7.3 of the Financing Plan.
<u>Security Deposit and Bonds:</u>	<p>Twenty-Five Thousand Dollars (\$25,000.00) on or before the Commencement Date.</p> <p>Before commencing any site grading, Tenant will have obtained a grading permit for such work from the Port’s Building Department and will have delivered to Port for such work a (i) payment bond, in a principal amount no less than fifty percent (50%) of the cost to grade that portion of the Premises that is the subject of the grading permit, and (ii) performance bond, in a principal amount no less than one hundred percent (100%) of the cost to grade that portion of the Premises that is subject to the grading permit. If Tenant obtains multiple grading permits at different times throughout the Term, then Tenant may elect to provide separate payment and performance bonds for each applicable each grading permit.</p> <p>Tenant will deliver any performance or payment bonds required in the DDA within the time period described therein.</p>

	<p>Promptly following issuance of an SOP Compliance Determination (as defined in the DDA) for any Horizontal Improvements that has not been Accepted, if and only if (i) as of such date CFD Proceeds (as defined in the DDA) are not accessible for purposes of maintenance thereof and (ii) a bond therefore has not previously been delivered in accordance with the terms of a public improvement agreement. Tenant will also deliver a bond in an amount equal to 5% of the hard costs of the applicable Phase Improvements as additional security for the maintenance and repair of the Horizontal Improvements (“Maintenance and Repair Bond”). Any Maintenance and Repair Bond delivered hereunder shall be promptly released upon Acceptance of the applicable Horizontal Improvements.</p> <p>Bonds provided under this provision must be issued by a responsible surety company licensed to do business in the State of California and in form acceptable to Port naming Port as co-obligee.</p>
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## MASTER LEASE

THIS MASTER LEASE (this “Lease” or “Master Lease”) dated for reference purposes as of the Lease Date set forth in the Basic Lease Information, is by and between **THE CITY AND COUNTY OF SAN FRANCISCO** (the “City”), operating by and through the **SAN FRANCISCO PORT COMMISSION** (“Port”), as landlord, and **FC PIER 70, LLC**, a Delaware limited liability company (“Tenant”). The Basic Lease Information that appears on the preceding pages and all Exhibits and Schedules attached hereto are hereby incorporated by reference into this Lease and will be construed as a single instrument and referred to herein as this “Lease.” In the event of any conflict or inconsistency between the Basic Lease Information and the Lease provisions, the Basic Lease Information will control. All initially capitalized terms used herein are defined in *Article 43* (Definition of Certain Terms), or have the meanings given them when first defined.

THIS LEASE IS MADE WITH REFERENCE TO THE FOLLOWING FACTS AND CIRCUMSTANCES:

A. Port is an agency of the City, exercising its functions and powers over property under its jurisdiction and organized and existing under the Burton Act and the City’s Charter. The Waterfront Plan is Port’s adopted land use document for property within Port jurisdiction, which provides the policy foundation for waterfront development and improvement projects.

B. Port and FC Pier 70, LLC, a Delaware limited liability company (“Master Developer”), are parties to that certain Disposition and Development Agreement dated as of May 2, 2018 (the “DDA”) that governs the mixed-use development of an approximately 28-acre site (the “28-Acre Site”), as more particularly described in the DDA (the “Project”). The 28-Acre Site is located within an area commonly known as “Pier 70.” Following certification of the Final Environmental Impact Report for the Pier 70 Mixed-Use Project (Case No. 2014-001272ENV) in compliance with the California Environmental Quality Act (“CEQA”), the CEQA Guidelines, and Chapter 31 of the San Francisco Administrative Code by Motion No. 19976 on August 24, 2017, Port and the City took a number of actions approving the Project, including the project approvals list on *Schedule B* attached hereto (collectively, the “Project Approvals”).

C. The DDA sets forth a parcel disposition process under which Port will deliver quitclaim deeds or enter into ground leases for each of the Development Parcels within the 28-Acre Site with a Vertical Developer. The Vertical Developer may be Master Developer, on behalf of itself or through its Affiliates, or, if Master Developer elects not to exercise its option to acquire or lease such Development Parcel, to third parties selected in accordance with the requirements of the DDA.

D. Master Developer has an obligation under the DDA to construct new and upgraded Horizontal Improvements on the Premises in accordance with the Project Approvals, and to create Development Parcels that will be served by the necessary infrastructure for their intended use. In order to provide Master Developer with access to and possession of the 28-Acre Site through the completion of the Horizontal Improvements, the Parties wish to enter into this Master Lease, setting for the terms and conditions under which Master Developer will lease the Premises. As provided hereunder, upon conveyance of a Development Parcel (either by fee transfer or ground lease) or Acceptance of Horizontal Improvement Parcels, the description of the Premises hereunder will be adjusted to remove the applicable Development Parcel or Horizontal Improvement Parcel from this Master Lease. As further provided hereunder, the description of the Premises hereunder will be adjusted to include the Building 11 Site, the Affordable Site, the Building 21 Site and the PG&E Remediation Site upon satisfaction of certain conditions.

ACCORDINGLY, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Parties agree as follows:

1. PREMISES; DEMISE.

1.1. Premises.

(a) **Lease of Premises; Description.** For the Rent and subject to the terms and conditions of this Lease, Port hereby leases to Tenant, and Tenant hereby leases from Port, the "Premises" described in the Basic Lease Information as of the Commencement Date.

(b) **Adjustment of Premises for Development.** From time to time during the Term, the legal description of the Premises will be modified in accordance with this *Section 1.1(b)*, and the term "Premises" refers to the property that is subject to this Lease at the time.

(i) *Development Parcels.*

(1) As provided under each Vertical DDA, Port will convey a Development Parcel to the Vertical Developer. Prior to conveyance of a Development Parcel to a Vertical Developer, Port and Tenant must execute, acknowledge, and record a Partial Release of Master Lease in the form attached hereto as *Exhibit C* ("Partial Release of Master Lease") for such Development Parcel.

(2) Port will provide Tenant at least ten (10) business days' prior notice of the anticipated conveyance date for each Development Parcel ("**Anticipated Conveyance Date**") and where Tenant should deposit the executed and acknowledged Partial Release of Master Lease. Tenant will deposit into escrow the executed and acknowledged Partial Release of Master Lease at least five (5) business days before the Anticipated Conveyance Date. Tenant's failure to timely execute, acknowledge and deliver the Partial Release of Master Lease into escrow will constitute a default under this Lease and the DDA.

(3) Once the Partial Release of Master Lease for the applicable Development Parcel is recorded in the Official Records, then Tenant's leasehold interest in such applicable Development Parcel will be terminated and other than the obligations that survive the expiration or termination of this Lease, this Lease will be terminated as it applies to such Development Parcel.

(ii) *Horizontal Improvement Parcels.*

(1) Partial Release as to Horizontal Improvements. Port and Master Developer will execute and record a Partial Release of Master Lease for constructed Horizontal Improvements that are accepted by Port or other applicable City Agencies in accordance with the procedures set forth in *DDA Sections 15.8* (Acceptance of Park Parcels and Phase Improvements) and *DDA Section 15.9* (Acceptance of Other Horizontal Improvements), a copy of which is attached hereto as *Schedule 1.1*.

(2) Generally. Once the Partial Release of Master Lease for the applicable Horizontal Improvement Parcel is recorded in the Official Records, then Tenant's leasehold interest in such applicable Horizontal Improvement Parcel will be terminated and other than the obligations that survive the expiration or termination of the Master Lease, this Master Lease will be terminated as it applies to such applicable Horizontal Improvement Parcel.

(iii) *Annexation Sites.*

(1) The Building 11 Site, the Affordable Storage Site, the Building 21 Site, the PG&E Remediation Site, the Pump Station Site and the Louisiana Site (each, an "Annexation Site") are each initially excluded from the "Premises" given that Annexation Sites are not needed by Master Developer during the Project's earlier construction phases but each is needed by Master Developer during the Project's later construction phases.

(2) Port will notify Tenant in writing thirty (30) days prior to the estimated date upon which (1) all Noonan Building tenants and artists will have vacated

Building 11 or Building 11 will be relocated in accordance with DDA Sections 7.13 and 7.23 respectively, (ii) in the case of the Affordable Storage Site, Affordable Storage will have permanently vacated the Affordable Storage Site, (iii) in the case of the Building 21 Site, SFPUC and other users will have permanently vacated the Building 21 Site, (iv) in the case of the PG&E Remediation Site, each of the following will have occurred; PG&E will have received written confirmation from each Regulatory Agency that Remediation of the PG&E Remediation Site is complete PG&E will have completed all off-shore work for which staging or related activities are being performed on the PG&E Remediation Site, PG&E will have vacated the PG&E Remediation Site, and License L-14749 will have been terminated with respect to the PG&E Remediation Site, (v) in the case of the Louisiana Site, such area is removed from Historic Pier 70, LLC's premises and a memorandum of technical corrections is recorded in the Official Records memorializing such removal.

(3) Following the occurrence of the applicable foregoing events with respect to an applicable Annexation Site described in *Section 1.1(b)(iii)(2)*, Port will notify Tenant of the occurrence of such events and that such Annexation Site is ready to be added to the Premises (an "Annexation Notice"). Except for the PG&E Remediation Site and Affordable Storage Site, as further described in *Section 1.1(b)(iii)(4)*, the Pump Station Site, as further described in *Section 1.1(b)(iii)(6)*, and the Louisiana Site as further described in *Section 1.1(b)(iii)(5)*, the applicable Annexation Site will be added to the Premises effective on the date that is three (3) business day after receipt of the Annexation Notice or earlier if agreed to by both Parties.

(4) Because the PG&E Remediation Site is located within the Affordable Storage Site, if:

(A) an Annexation Notice is delivered with respect to the Affordable Storage Site but an Annexation Notice has not been delivered with respect to the PG&E Site, then the only area to be added to the Premises will be the portion of the Affordable Storage Site located outside of the PG&E Remediation Site; and

(B) an Annexation Notice is delivered with respect to the PG&E Site but an Annexation Notice has not been delivered with respect to the Affordable Storage Site, then the PG&E Site will not be added to the Premises until such time as the entire Affordable Storage Site is so added.

(5) The Louisiana Site will not be added to the Premises unless the Louisiana Site is simultaneously added to the DDA by recordation of a memorandum of technical corrections as more particularly described therein (and such three (3) business day period shall be extended as needed to allow for the occurrence of the same).

(6) With respect to the Pump Station Site only, Tenant shall notify Port in writing at least thirty (30) days prior to the estimated date upon which Tenant desires to add the Pump Station Site to the Premises, and the Pump Station Site will be added to the Premises on the date specified in such written notice.

(7) Within a reasonable time following the addition of an Annexation Site, the Parties will revise *Exhibit A* so that it reflects the inclusion of the Annexation Site into the Premises, provided, that the Parties' failure to do so will not impact the inclusion of the same into the Premises.

(iv) *Right of Access Prior to Annexation.* Prior the annexation of each Annexation Site, to the extent that the same is not accessible from a public street, the tenants of the Building 11 Site, the Affordable Storage Site, the tenants of the Building 21 Site and PG&E, as applicable, will have a reasonable right of access through the Premises to the applicable Annexation Site. Tenant will have the right to designate a reasonable route of access and may impose reasonable restrictions on such access as reasonably necessary to ensure the safety and security of the Premises, including any construction activity thereon.

(c) **Accessibility Inspection Disclosure.** California law requires commercial landlords to disclose to tenants whether the property being leased has undergone inspection by a Certified Access Specialist (“CASp”) to determine whether the property meets all applicable construction-related accessibility requirements. The law does not require landlords to have the inspections performed. Tenant is hereby advised that the Premises has not been inspected by a CASp and Port will have no liability or responsibility to make any repairs or modifications to the Premises in order to comply with accessibility standards. The following disclosure is required by law:

“A Certified Access Specialist (CASp) can inspect the subject premises and determine whether the subject premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the subject premises, the commercial property owner or lessor may not prohibit the lessee or tenant from obtaining a CASp inspection of the subject premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The parties will mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the premises.”

(d) **San Francisco Disability Access Disclosures.** Tenant is hereby advised that the Premises may not currently meet all applicable construction-related accessibility standards, including standards for public restrooms and ground floor entrances and exits. Tenant understands and agrees that Tenant may be subject to legal and financial liabilities if the Premises does not comply with applicable federal and state disability access Laws. As further set forth in *Article 8* (Compliance with Laws), Tenant further understands and agrees that it is Tenant’s obligation, at no cost to Port, to cause the Premises and Tenant’s use thereof to be conducted in compliance with the Disabled Access Laws and any other federal or state disability access Laws. Tenant will notify Port if it is making any alterations or Improvements to the Premises that might impact accessibility standards required under federal and state disability access Laws.

(e) **No Right to Encroach.**

(i) If Tenant (including, its Agents, Invitees, successors and assigns) uses or occupies space outside the Premises without the prior written consent of Port (the “Encroachment Area”), then upon written notice from Port (“Notice to Vacate”), Tenant will immediately vacate such Encroachment Area and if such Encroachment Area is controlled by Port, pay as Additional Rent for each day Tenant used, occupied, uses or occupies such Encroachment Area, an amount equal to the rentable square footage of the Encroachment Area, multiplied by the then current fair market rent for such Encroachment Area, as reasonably determined by Port (the “Encroachment Area Charge”). If Tenant uses or occupies such Encroachment Area for a fractional month, then the Encroachment Area Charge for such period will be prorated based on a thirty (30) day month. In no event will acceptance by Port of the Encroachment Area Charge be deemed a consent by Port to the use or occupancy of the Encroachment Area by Tenant, its Agents, Invitees, successors or assigns, or a waiver (or be deemed as a waiver) by Port of any and all other rights and remedies of Port under this Lease.

(ii) In addition, Tenant will pay to Port, as Additional Rent, an amount equaling Three Hundred Dollars (\$300.00), which amount will be increased by One Hundred Dollars (\$100.00) on the tenth (10<sup>th</sup>) Anniversary Date and every ten (10) years thereafter, upon delivery of the initial Notice to Vacate plus the actual cost associated with a survey of the Encroachment Area. In the event Port determines during subsequent inspection(s) that Tenant has failed to vacate the Encroachment Area, then Tenant will pay to Port, as Additional Rent, an amount equaling Four Hundred Dollars (\$400.00), which amount will be increased by One Hundred Dollars (\$100.00) on the tenth (10<sup>th</sup>) Anniversary Date and every ten (10) years thereafter, for each additional Notice to Vacate, if applicable, delivered by Port to Tenant

following each inspection. The Parties agree that the charges associated with each inspection of the Encroachment Area, delivery of each Notice to Vacate and survey of the Encroachment Area represent a fair and reasonable estimate of the administrative cost and expense which Port will incur by reason of Port's inspection of the Premises, issuance of each Notice to Vacate and survey of the Encroachment Area. Tenant's failure to comply with the applicable Notice to Vacate and Port's right to impose the foregoing charges will be in addition to and not in lieu of any and all other rights and remedies of Port under this Lease.

(iii) In addition to Port's rights and remedies under this *Section 1.1(e)*, the terms and conditions of the Indemnity and waiver provision set forth in *Article 19* (Indemnification of Port) will also apply to Tenant's (including, its Agents, Invitees, successors and assigns) use and occupancy of the Encroachment Area as if the Premises originally included the Encroachment Area, and Tenant will additionally Indemnify Port from and against any and all Losses resulting from delay by Tenant in surrendering the Encroachment Area including, without limitation, any Losses resulting from any claims against Port made by any tenant or prospective tenant founded on or resulting from such delay and Losses to Port due to lost opportunities to lease any portion of the Encroachment Area to any such tenant or prospective tenant.

(iv) All amounts set forth in this *Section 1.1(e)* will be due within three (3) business days following the applicable Notice to Vacate and/or separate invoice relating to the actual cost associated with a survey of the Encroachment Area. By signing this Lease, each Party specifically confirms the accuracy of the statements made in this *Section 1.1(e)* and the reasonableness of the amount of the charges described in this *Section 1.1(e)*.

## 1.2. *Limitations.*

(a) **Permitted Encumbrances.** The interests granted by Port to Tenant pursuant to *Section 1.1(a)* are subject to (i) the matters reflected in *Exhibit E* (the "Permitted Title Exceptions"), (ii) CFD Matters, (iii) the rights, if any, of the owner and/or operator of any utility (whether or not such rights are memorialized in any written and/or recorded agreement with the applicable utility owner/operator) located within the Premises, to access, maintain, repair or replace, as applicable, the utility infrastructure including that certain Memorandum of Understanding dated sometime in 1990 between Port and the Department of Public Works, an agency of the City, and (iv) such other matters (including the existence of known and unknown operational and/or non-operational utility infrastructure within the Premises that may interfere with the development of the Project) as Tenant will cause or suffer to arise subject to the terms and conditions of this Lease (collectively, the "Permitted Encumbrances").

(b) **Subsurface Mineral Rights.** Under the terms and conditions of Article 2 of the Burton Act, the State has reserved all subsurface mineral deposits, including oil and gas deposits, on or underlying the Premises. In accordance with the provisions of Sections 2 and 3.5(c) of the Burton Act, Tenant and Port hereby acknowledge that the State has reserved the right to explore, drill for and extract such subsurface minerals, including oil and gas deposits, solely from a single point of entry outside of the Premises, provided that such right will not be exercised so as to disturb or otherwise interfere with the Leasehold Estate or the use of the Premises, including the ability of the Premises to support the Improvements, but provided further that, without limiting any remedies the Parties may have against the State or other parties, any such disturbance or interference that causes damage or destruction to the Premises will be governed by *Article 15* (Damage or Destruction). Port will have no liability under this Lease arising out of any exercise by the State of such mineral rights (unless the State has succeeded to Port's interest under this Lease, in which case such successor owner may have such liability).

(c) **"AS IS WITH ALL FAULTS"**. TENANT AGREES THAT PORT IS LEASING THE PREMISES TO TENANT, AND THE PREMISES ARE HEREBY ACCEPTED BY TENANT, IN THEIR EXISTING STATE AND CONDITION, "AS IS, WITH ALL FAULTS," SUBJECT TO THE TERMS OF THIS LEASE. TENANT ACKNOWLEDGES



AND AGREES THAT NEITHER PORT NOR ANY OF THE OTHER INDEMNIFIED PARTIES HAS MADE, AND THERE IS HEREBY DISCLAIMED, ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, OF ANY KIND, WITH RESPECT TO THE CONDITION IN, ON, UNDER, ABOVE, OR ABOUT THE PREMISES, TITLE TO THE PREMISES, THE SUITABILITY OR FITNESS OF THE PREMISES OR ANY APPURTENANCES THERETO FOR THE DEVELOPMENT, USE, OR OPERATION OF THE IMPROVEMENTS, THE COMPLIANCE OF THE PREMISES WITH ANY LAWS, ANY MATTER AFFECTING THE USE, VALUE, OCCUPANCY OR ENJOYMENT OF THE PREMISES, OR ANY OTHER MATTER PERTAINING TO THE PREMISES, ANY APPURTENANCES THERETO OR THE IMPROVEMENTS, AND AS FURTHER DESCRIBED HEREIN.

Tenant further acknowledges and agrees that it has been afforded a full opportunity to inspect Port's records relating to conditions in, on, around, under, and pertaining to the Premises. Port makes no representation or warranty as to the accuracy or completeness of any matters contained in such records. Tenant is not relying on any such information. All information contained in such records is subject to the limitations set forth in this *Section 1.2(c)*. Tenant represents and warrants to Port that Tenant has performed a diligent and thorough inspection and investigation in, on, around, under, and pertaining to the Premises, either independently or through its own experts including (i) the quality, nature, adequacy and physical condition in, on, around, under, and pertaining to the Premises including the structural elements, foundation, and all other physical and functional aspects in, on, around, under, and pertaining to the Premises; (ii) the quality, nature, adequacy, and physical, geotechnical and environmental condition in, on, around, under, and pertaining to the Premises, including the soil and any groundwater (including Hazardous Materials Conditions (including the presence of asbestos or lead) with regard to the building, soils and any groundwater); (iii) the suitability in, on, around, under, and pertaining to the Premises for the Improvements and Tenant's planned use of the Premises; (iv) title matters, the zoning, land use regulations, historic preservation laws, and other Laws governing use of or construction in, on, around, under, and pertaining to on the Premises; and (v) all other matters of material significance affecting in, on, around, under, and pertaining to the Premises and its development and use under this Lease.

As part of its agreement to accept the Premises in their "As Is With All Faults" condition, Tenant, on behalf of itself and its successors and assigns, will be deemed to waive any right to recover from, and forever release, acquit and discharge, Port, the City, and their respective Agents of and from any and all Losses, whether direct or indirect, known or unknown, foreseen or unforeseen, that Tenant may now have or that may arise on account of or in any way be connected with (i) the physical, geotechnical or environmental condition in, on, under, above, or about the Premises, including any Hazardous Materials in, on, under, above or about the Premises (including soil and groundwater conditions), (ii) the suitability of the Premises for the development of the Improvements, the Permitted Uses, value, occupancy or enjoyment of the Premises, (iii) title matters, (iv) the zoning land use regulations, historic preservation laws, and other any Laws applicable thereto, including Environmental Laws or any other matter pertaining to the Premises, any appurtenances thereto or the Improvements; provided, however, the foregoing waiver will not apply to Losses arising from or relating to the sole negligence or willful misconduct of the Indemnified Parties.

In connection with the foregoing release, Tenant acknowledges that it is familiar with California Civil Code Section 1542, which provides 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.

Tenant agrees that the release contemplated by this *Section 1.2(c)* includes unknown claims pertaining to the subject matter of this release. Accordingly, Tenant hereby waives the benefits of Civil Code Section 1542, or under any other statute or common law principle of similar effect, in connection with the release contained in this *Section 1.2(c)*.

Tenant Initials: \_\_\_\_\_

The provisions of this *Section 1.2(c)* will survive the expiration or earlier termination of this Lease.

(d) **Title Defect.** Port will have no liability to Tenant in the event any defect exists in Port's title to the Premises as of the Commencement Date and no such defect will be grounds for a termination of this Lease by Tenant. Tenant's sole remedy with respect to any such existing title defect will be to obtain compensation by pursuing its rights against any title insurance company or companies issuing title insurance policies to Tenant.

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

(f) **Unique Nature of Premises.** Tenant acknowledges that: (i) Port's regular maintenance may involve activities, such as pile driving, that create noise and other effects not normally encountered in locations elsewhere in San Francisco due to the unique nature of the Premises; (ii) there is a risk that all or a portion of the Premises will be inundated with water due to floods or sea level rise; and (iii) there is a risk that sea level rise will increase the cost of operations, maintenance, and repair of the Premises.

**1.3. Memorandum of Technical Corrections.** The Parties reserve the right, upon mutual agreement of Port's Executive Director and Tenant, to enter into memoranda of technical corrections hereto to reflect any non-material changes in the actual legal description and square footages of the Premises, and upon full execution thereof, such memoranda will be deemed to become a part of this Lease.

## **2. TERM.**

The effectiveness of this Lease will commence on the Commencement Date as shown in the Basic Lease Information. The Lease will expire at 11:59 p.m. on the Expiration Date set forth in the Basic Lease Information, unless earlier terminated or extended in accordance with the terms of this Lease. The period from the Commencement Date until the final expiration of the Lease is referred to as the "Term."

## **3. RENT**

During the Term, Tenant will pay Rent for the Premises to Port at the times and in the manner provided in *Exhibit D* (Rent) attached hereto and incorporated herein by this reference.

## **4. USES.**

**4.1. Uses within Premises.** The Premises will be used and occupied only for the Permitted Uses specified in the Basic Lease Information and for no other purpose.

**4.2. Advertising and Signs.** Subject to the prohibition on tobacco and alcohol advertising provided in *Article 41* (Special Provisions), Tenant has the right to install signs on the Premises in accordance with this *Section 4.2*. All signs must comply with all Laws relating thereto and the requirements of the SUD and Design for Development. Tenant must obtain all Regulatory Approvals required by such Laws. Port makes no representation with respect to Tenant's ability to obtain required Regulatory Approval. All rents, fees, or other charges from all signs will be included as part of Gross Income and applied in accordance with *Exhibit D*

KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED  
HIS OR HER SETTLEMENT WITH THE DEBTOR.

Tenant agrees that the release contemplated by this *Section 1.2(c)* includes unknown claims pertaining to the subject matter of this release. Accordingly, Tenant hereby waives the benefits of Civil Code Section 1542, or under any other statute or common law principle of similar effect, in connection with the release contained in this *Section 1.2(c)*.

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

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(Rent). Tenant, at its sole cost and expense, must remove all signs placed by it on the Premises at the expiration or earlier termination of this Lease. So long as Tenant may enter into agreements with other parties for purposes of placing Promotional Signage, and provided that such use complies with all the terms and conditions of this Lease, such use will not be considered a Transfer for purposes of this Lease, but any and all rent, fees, or other charges from Promotional Signage will be included as part of Gross Income.

#### 4.3. *Construction Staging.*

(a) **Construction Staging for Horizontal Development.** Tenant has the right to use (and to allow its Agents and Invitees to use) portions of the Premises for construction staging, including, without limitation, storage of soil stockpiles, construction materials and equipment, fencing, and temporary construction offices as may be reasonably necessary or convenient in connection with the development of Horizontal Improvements. It is expressly acknowledged and agreed that no Rent will be payable on account of construction staging activities in connection with the development of Horizontal Improvements, and that the provisions of *Exhibit D* (Rent), which require payment of Percentage Rent in conjunction with the lease or license of construction staging areas to Vertical Developers, are not applicable to construction staging activities in connection with the development of Horizontal Improvements.

(b) **Construction Staging for Vertical Development.** Subject to the provisions of *Exhibit D* (Rent) regarding payment of Percentage Rent, Tenant has the right to Sublease to Vertical Developers (so long as the Primary Permitted Uses are not adversely impacted by the applicable Sublease), portions of the Premises for construction staging, including, without limitation, storage of soil stockpiles, construction materials and equipment, fencing, and temporary construction offices in connection with the development of the applicable Vertical Improvements.

(c) **Comply with Laws.** All construction staging must be performed in accordance with applicable Laws, including any operations plan approved by Port and applicable provisions of the MMRP.

#### 4.4. *Limitations on Uses by Tenant.*

(a) **Prohibited Uses.** Tenant will not conduct or permit on the Premises any of the following activities (in each instance, a “Prohibited Use” and collectively, “Prohibited Uses”):

(i) any activity, or the maintaining of any object, which is not within the Permitted Use or not previously approved by Port in writing, in its sole discretion;

(ii) any activity which constitutes waste or nuisance to owners or occupants of adjacent properties, including, but not limited to, the preparation, manufacture or mixing of anything that might emit any unusually objectionable odors, noises or lights onto adjacent properties, the use of light apparatus which can be seen outside the Premises, or the use of loudspeakers or sound apparatus which can be heard outside the Premises in violation of applicable Law, provided, that the Construction Impacts reasonably expected for the construction of the Horizontal Improvements will not be considered or deemed a nuisance;

(iii) prior to annexation of the Building 11 Site or the Affordable Storage Site into the Premises, any activity which will in any way unreasonably (as determined by Port) injure, obstruct or interfere with the rights of ingress and egress of, or access to or use of electricity by, Affordable Storage and its customers or any of the artists in the Noonan Building or Affordable Storage, as applicable;

(iv) any activity which will in any way unreasonably (as determined by Port) injure, obstruct or interfere with the rights of ingress and egress of other owners, tenants, or occupants of adjacent properties;

(v) use of the Premises for residential, sleeping or personal living quarters and/or so-called "Live/Work" space;

(vi) the placement of any sign on or near the Premises related to any auction, distress, fire, bankruptcy or going out of business sale on the Premises without the prior written consent of Port, which consent may be granted, conditioned, or withheld in the sole and absolute discretion of Port;

(vii) any vehicle and equipment maintenance, including but not limited to fueling, changing oil, transmission or other automotive fluids; provided, however, the foregoing prohibition does not apply to standard equipment maintenance for pay stations used for collecting parking fees or to the charging of electric vehicles and equipment, all located within the portion of the Premises used for parking operations;

(viii) except in connection with the construction of the Horizontal Improvements and the Vertical Improvements, the storage of any and all excavated materials, including but not limited to, dirt, concrete, sand, asphalt, and pipes;

(ix) except in connection with the construction of the Horizontal Improvements and the Vertical Improvements, the storage of any and all aggregate material, or bulk storage, such as wood or other loose materials; or


(x) the washing of any vehicles or equipment (unless such use is reasonably required on a temporary basis to comply with the Mitigation Monitoring and Reporting Program or the Pier 70 Risk Management Plan during construction of the Horizontal Improvements.

(b) **Restrictions on Encumbering Port's Reversionary Interest.** Tenant may not enter into agreements granting licenses, easements or access rights over the Premises (collectively, "Access Rights") if the same would be binding on Port's reversionary interest in the Premises without Port's prior written consent, which consent may be withheld in Port's sole discretion. Notwithstanding the foregoing, the Parties acknowledge that Master Developer's obligations to deliver the Horizontal Improvements under the DDA (including the Infrastructure Plan), and the requirements of the Master Utilities Plan, Master Tentative Map and associated conditions of approval will require the dedication or granting of certain Access Rights that may be binding on Port's reversionary interest in the Premises. Port will not withhold its consent to any Access Rights that are consistent with matters previously approved by Port (including the DDA, Infrastructure Plan and Master Tentative Map) or in the Master Utilities Plan; and will not unreasonably withhold its consent to Access Rights to private parties that are reasonably required for the functioning of the Horizontal Improvements or Vertical Improvements (e.g., private gas easements and private telecommunications easements).

**4.5. *Liquidated Damages for Repeat Prohibited Uses.*** In addition to the other remedies available to Port under this Lease for an Event of Default under **Section 23.1(g)**, if Tenant uses the Premises for the same type of Prohibited Use more than two (2) times within any twenty-four (24) month period, then Tenant will pay Port an amount equal to Twenty-Five Thousand Dollars (\$25,000.00) (as adjusted periodically, the "Prohibited Use Charge") for the third such Prohibited Use and for each such Prohibited Use thereafter as liquidated damages, which Twenty-Five Thousand Dollars (\$25,000.00) will be increased by fifteen percent (15%) on the fifth (5th) anniversary of the Commencement Date and every five (5) years thereafter.

THE PARTIES HAVE AGREED THAT PORT'S ACTUAL DAMAGES, IN THE EVENT TENANT USES THE PREMISES FOR THE SAME TYPE OF PROHIBITED USE MORE THAN TWO (2) TIMES WITHIN A TWENTY-FOUR (24) MONTH PERIOD, WOULD BE EXTREMELY DIFFICULT OR IMPRACTICABLE TO DETERMINE. AFTER NEGOTIATION, THE PARTIES HAVE AGREED THAT, CONSIDERING ALL THE CIRCUMSTANCES EXISTING ON THE DATE OF THIS LEASE, THE AMOUNT OF THE PROHIBITED USE CHARGE IS A REASONABLE ESTIMATE OF THE DAMAGES THAT

PORT WOULD INCUR IN SUCH AN EVENT. BY PLACING THEIR RESPECTIVE INITIALS BELOW, EACH PARTY SPECIFICALLY CONFIRMS THE ACCURACY OF THE STATEMENTS MADE ABOVE AND THE FACT THAT EACH PARTY WAS REPRESENTED BY COUNSEL WHO EXPLAINED, AT THE TIME THIS AGREEMENT WAS MADE, THE CONSEQUENCES OF THIS LIQUIDATED DAMAGES PROVISION.

Port Initials: 	Tenant Initials: _____
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**5. DEVELOPMENT PROJECTS.**

**5.1. Generally.** Tenant acknowledges that during the Term, other development projects will be developed or constructed in the immediate vicinity of the Premises (as generally described in **Section 5.2** (Pier 70) and other development projects in the vicinity of or near the Premises, such as the development projects at Seawall Lot 337, Pier 48, Pier 80, SFPUC's Bay Corridor Transmission and Distribution Project along Illinois Street from 16<sup>th</sup> Street to 23<sup>rd</sup> Street, and the proposed development of over 5 million square feet on the 29-acre Central Waterfront site at or around 1201 Illinois Street (bounded by Illinois, the Bay, 22nd and 23rd Streets) (collectively, "**Development Projects**"). Tenant is aware that construction of the Development Projects and other construction projects of Port tenants, licensees or occupants or projects of third parties in the vicinity of the Premises and the activities associated with such construction may generate adverse impacts on construction of the Horizontal Improvements, use and/or operation of the Premises after construction, or may result in inconvenience to or disturbance of Tenant and its Agents and Invitees. Said impacts may include increased vehicle and truck traffic, closure of traffic lanes, re-routing of traffic, traffic delays, loss of street and public parking, dust, dirt, construction noise, and visual obstructions (collectively, "**Construction Impacts**").

Tenant hereby waives any and all Losses against the Indemnified Parties arising out of any inconvenience or disturbance to Tenant, its Agents or Invitees, from Construction Impacts. The Parties will each use reasonable efforts to coordinate its construction efforts with each other and with others engaged in construction on such other projects in a manner that will seek, to the extent reasonably possible, to reduce construction conflicts.

**5.2. Pier 70.**

(a) **Generally.** Tenant acknowledges that the Port Commission endorsed the vision, goals, objectives, and design criteria of the Pier 70 Master Plan. A brief description of some of the existing and planned development in Pier 70 is as follows, all of which will create Construction Impacts:

(i) **Michigan Street.** Reconfiguration of Michigan Street, which is currently an approximately eighty (80) foot right of way. Port is exploring alternate permanent configurations, redesign, or path of travel, of or on Michigan Street, including narrowing the width of Michigan Street to no less than sixty-eight (68) feet and the City's potential vacation all or a portion of Michigan Street. Tenant has no objections to narrowing the width of Michigan Street to no less than sixty-eight (68) feet nor does Tenant object to the City's vacation of all or any portion of Michigan Street.

(ii) **New 19<sup>th</sup> Street.** Proposed extension of 19<sup>th</sup> Street east from Illinois Street that will accommodate heavy truck traffic for the ship repair facility and connect to the reopened Georgia Street.

(iii) **Crane Cove Park.** North of the planned 19th Street extension, Port anticipates commencing and completing construction of Crane Cove Park during the Term. The project includes construction of a new, approximately 9.8-acre shoreline park; creation of Georgia Street, which would connect 20th Street to the 19th Street extension; creation of a new primary entrance access to the Pier 70 Shipyard entrance from 20th Street to the terminus of the

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Port Initials: _____	Tenant Initials: <u>    <i>JK</i>    </u>
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(i) **Michigan Street.** Reconfiguration of Michigan Street, which is currently an approximately eighty (80) foot right of way. Port is exploring alternate permanent configurations, redesign, or path of travel, of or on Michigan Street, including narrowing the width of Michigan Street to no less than sixty-eight (68) feet and the City's potential vacation all or a portion of Michigan Street. Tenant has no objections to narrowing the width of Michigan Street to no less than sixty-eight (68) feet nor does Tenant object to the City's vacation of all or any portion of Michigan Street.

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(iii) **Crane Cove Park.** North of the planned 19th Street extension, Port anticipates commencing and completing construction of Crane Cove Park during the Term. The project includes construction of a new, approximately 9.8-acre shoreline park; creation of Georgia Street, which would connect 20th Street to the 19th Street extension; creation of a new primary entrance access to the Pier 70 Shipyard entrance from 20th Street to the terminus of the

PORT WOULD INCUR IN SUCH AN EVENT. BY PLACING THEIR RESPECTIVE INITIALS BELOW, EACH PARTY SPECIFICALLY CONFIRMS THE ACCURACY OF THE STATEMENTS MADE ABOVE AND THE FACT THAT EACH PARTY WAS REPRESENTED BY COUNSEL WHO EXPLAINED, AT THE TIME THIS AGREEMENT WAS MADE, THE CONSEQUENCES OF THIS LIQUIDATED DAMAGES PROVISION.

Port Initials: _____	Tenant Initials: _____
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**5. DEVELOPMENT PROJECTS.**

**5.1. Generally.** Tenant acknowledges that during the Term, other development projects will be developed or constructed in the immediate vicinity of the Premises (as generally described in *Section 5.2* (Pier 70) and other development projects in the vicinity of or near the Premises, such as the development projects at Seawall Lot 337, Pier 48, Pier 80, SFPUC's Bay Corridor Transmission and Distribution Project along Illinois Street from 16<sup>th</sup> Street to 23<sup>rd</sup> Street, and the proposed development of over 5 million square feet on the 29-acre Central Waterfront site at or around 1201 Illinois Street (bounded by Illinois, the Bay, 22nd and 23rd Streets) (collectively, "**Development Projects**"). Tenant is aware that construction of the Development Projects and other construction projects of Port tenants, licensees or occupants or projects of third parties in the vicinity of the Premises and the activities associated with such construction may generate adverse impacts on construction of the Horizontal Improvements, use and/or operation of the Premises after construction, or may result in inconvenience to or disturbance of Tenant and its Agents and Invitees. Said impacts may include increased vehicle and truck traffic, closure of traffic lanes, re-routing of traffic, traffic delays, loss of street and public parking, dust, dirt, construction noise, and visual obstructions (collectively, "**Construction Impacts**").

Tenant hereby waives any and all Losses against the Indemnified Parties arising out of any inconvenience or disturbance to Tenant, its Agents or Invitees, from Construction Impacts. The Parties will each use reasonable efforts to coordinate its construction efforts with each other and with others engaged in construction on such other projects in a manner that will seek, to the extent reasonably possible, to reduce construction conflicts.

**5.2. Pier 70.**

(a) **Generally.** Tenant acknowledges that the Port Commission endorsed the vision, goals, objectives, and design criteria of the Pier 70 Master Plan. A brief description of some of the existing and planned development in Pier 70 is as follows, all of which will create Construction Impacts:

(i) **Michigan Street.** Reconfiguration of Michigan Street, which is currently an approximately eighty (80) foot right of way. Port is exploring alternate permanent configurations, redesign, or path of travel, of or on Michigan Street, including narrowing the width of Michigan Street to no less than sixty-eight (68) feet and the City's potential vacation all or a portion of Michigan Street. Tenant has no objections to narrowing the width of Michigan Street to no less than sixty-eight (68) feet nor does Tenant object to the City's vacation of all or any portion of Michigan Street.

(ii) **New 19<sup>th</sup> Street.** Proposed extension of 19<sup>th</sup> Street east from Illinois Street that will accommodate heavy truck traffic for the ship repair facility and connect to the reopened Georgia Street.

(iii) **Crane Cove Park.** North of the planned 19th Street extension, Port anticipates commencing and completing construction of Crane Cove Park during the Term. The project includes construction of a new, approximately 9.8-acre shoreline park; creation of Georgia Street, which would connect 20th Street to the 19th Street extension; creation of a new primary entrance access to the Pier 70 Shipyard entrance from 20th Street to the terminus of the



19th Street extension and rerouting primary Pier 70 Shipyard truck traffic from 20th Street to the 19th Street extension; street improvements along the eastern side of Illinois Street; and may include rehabilitation of Building 109, a contributing historic building, for uses to be determined.

(iv) 19th Street Parking Lot and Future Development Site. Located between the Historic Core on the north side of 20th Street and the new 19th and Georgia Streets, the Port will construct an interim, approximately 180 car parking lot, including associated access points from 19th Street and Georgia Street. The parking lot will include storm water collection and treatment, landscaping and lighting. Eventually, the parcel will become a mixed-use development site, which may include the demolition of Building 36.

(v) Building 6, Building 111, and Parking Lot West of Building 6.- Located north of 20th Street at the Bay's edge, Building 6 and Building 11 are contributing historic buildings that Port will ultimately redevelop for a use to be determined. Pedestrian and service deliveries access to Building 6 may occur on the south side of the building. Port may develop the triangle parking lot to the west of Building 6 and north of 20th Street for a use to be determined.

(vi) 28-Acre Site. Port and Master Developer entered into a DDA, the Master Lease, the Development Agreement, and other agreements for the 28-Acre Site (collectively, the "Forest City Agreements"). The Forest City Agreements will, among other things, permit the construction and/or reconfiguration of streets, construction of new public open space and parks, construction of new buildings, and historic rehabilitation, which construction will take place throughout the Term. The Premises is located within the 28-Acre Site.

(vii) Historic Core. Port and Historic Pier 70, LLC entered into a Lease Disposition and Development Agreement dated September 16, 2014 and Lease No. L-15814 dated as of July 29, 2015 for the area referred to as the "Historic Core" in the Pier 70 Master Plan, located along 20<sup>th</sup> Street, East of Illinois Street. The Historic Core Project includes repair and rehabilitation of eight buildings in the Pier 70 Historic Core (Buildings 101, 102, 104, 113, 114, 115, 116, and 14) to satisfy current seismic, structural, and code requirements; reuse of the buildings as primarily light industrial and commercial uses, and addition of approximately 69,000 gross square feet of new building space primarily through the construction of mezzanines within existing buildings. The project also includes an outdoor publicly accessible plaza and indoor atrium, plus minor roadway and sidewalk, improvements for site accessibility. In total, the project will include approximately 334,000 gross square feet of existing and new building space.

(viii) Parcel K. Parcel K, located at the southeast corner of Illinois and 20th Streets, will be subdivided into two parcels: Parcel K North and Parcel K South. Both are subject to the SUD. Under the SUD, Parcel K North will include approximately 300 residential units, 6,600 square feet of commercial uses, and 6,600 square feet of retail uses. Parcel K South will include up to 240 units of affordable housing, and 11,000 square feet of retail uses.

(ix) Hoedown Yard. The Hoedown Yard is a 3.6-acre parcel at the northeast corner of Illinois and 22nd Streets. The City has an option to purchase the site from its current owner, Pacific Gas and Electric. The site is also subject to the SUD. Under the SUD, the Hoedown Yard is zoned as commercial or residential. Under the residential scenario, it will include up to 335 residential units and 17,200 square feet of retail uses. Under the commercial scenario, it will include up to 231,700 square feet of commercial uses and 28,135 square feet of retail uses.

(x) Pier 70 Shipyard. The Parties acknowledge that the Premises is located in proximity to the Pier 70 shipyard (the "Pier 70 Shipyard"), a working industrial facility that contains approximately 14.7 acres of improved land and 17.4 acres of submerged lands, including floating Dry Dock#2, floating Dry Dock Eureka, and an 8k ampere Shoreside Power System. Existing and future operations at the Pier 70 Shipyard may generate certain impacts

such as noise, parking congestion, truck traffic, auto traffic, odors, dust, dirt, view and visual obstructions. In order to avoid interference with the Pier 70 Shipyard without being subject to suits by adjacent property owners, tenants, subtenants or other nearby users against the Port for nuisance, inverse condemnation or similar causes of action, Tenant will include in all of its leases at the Premises, an acknowledgment of the foregoing impacts, and a waiver of rights relating to commencing or maintaining a lawsuit for common law or statutory nuisance, inverse condemnation, or other legal action based upon the interference with the comfortable enjoyment of life or property arising out of the existence of the Pier 70 Shipyard.

(b) **Cooperation.** Tenant acknowledges and agrees that it will reasonably cooperate with Port, the tenant or operator of the Pier 70 Shipyard, Historic Pier 70 LLC, Vertical Developers, and any future tenants or occupants of Pier 70 (collectively, the “Pier 70 Parties”) in the implementation of the Pier 70 Master Plan, which includes the development and/or rehabilitation of the Historic Core, the 28-Acre Site, and Crane Cove Park, and continued operation of the Pier 70 Shipyard; provided, however, that any such cooperation that exceeds Tenant’s or Master Developer’s obligations under the DDA will be at no material out-of-pocket cost to Tenant. In furtherance of the development of the 28-Acre Site, Tenant will enter into licenses with Vertical Developers that provide Vertical Developers access to (i) applicable Development Parcels under the control of Tenant if the applicable Vertical Developer desires to conduct due diligence on such parcel before close of escrow on such parcel, or (ii) portions of the Premises that are outside the applicable Development Parcel in order for Vertical Developer to construct any Deferred Infrastructure.

## 6. TAXES AND ASSESSMENTS.

### 6.1. *Payment of Taxes and Other Impositions.*

(a) **Payment of Taxes.** Tenant will pay or cause to be paid to the proper authority prior to delinquency, all Impositions assessed, levied, confirmed or imposed on the Premises or any of the Improvements or Personal Property (excluding the personal property of any Subtenant whose interest is separately assessed) located on the Premises or on its Leasehold Estate (but excluding any such taxes separately assessed, levied or imposed on any Subtenant), or on any use or occupancy of the Premises hereunder, to the full extent of installments or amounts payable or arising during the Term, whether in effect at the Commencement Date or which become effective thereafter. Tenant further recognizes and agrees that the Leasehold Estate may be subject to the payment of special taxes, including without limitation a levy of special taxes to finance energy efficiency, water conservation, water pollution control and similar improvements under the Special Tax Financing Law in Chapter 43 Article X of the Administrative Code. Tenant will not permit any such Impositions to become a defaulted lien on the Premises or the Improvements thereon; provided that if applicable Law permits Tenant to pay such taxes in installments, Tenant may elect to do so. In addition, Tenant will pay any fine, penalty, interest or cost as may be charged or assessed for nonpayment or delinquent payment of such taxes. Subject to **Section 6.2** (CFD Matters and Shortfall Provisions), Tenant will have the right to contest the validity, applicability or amount of any taxes in accordance with **Article 7** (Contests). In the event of any dispute, Tenant will Indemnify and hold the Indemnified Parties harmless from and against all Losses resulting therefrom.

(i) **Acknowledgment of Possessory Interest.** Tenant specifically recognizes and agrees that this Lease creates a possessory interest that is subject to taxation, and that this Lease requires Tenant to pay any and all possessory interest taxes levied upon Tenant’s Leasehold Estate pursuant to an assessment lawfully made by the County Assessor. Tenant further acknowledges that any Sublease, Transfer or any exercise of any option to renew or extend this Lease may constitute a change in ownership, within the meaning of the California Revenue and Taxation Code, and therefore may result in a reassessment of any possessory interest created hereunder in accordance with applicable Law.

(ii) Reporting Requirements. San Francisco Administrative Code Sections 23.38 and 23.39 (or any successive or replacement ordinance) requires that Port report certain information relating to this Lease, and the creation, renewal, extension, assignment, sublease, or other transfer of any interest granted hereunder, to the County Assessor within sixty (60) days after any such transaction. Within thirty (30) days of request by Port following the date of any transaction that is subject to such reporting requirements, Tenant will provide such information as may reasonably be requested by Port to enable Port to comply with such requirements.

(b) Other Impositions. Without limiting the provisions of *Section 6.1(a)* (Payment of Taxes), and except as otherwise provided in this *Section 6.1(b)* (Other Impositions), Tenant will pay or cause to be paid all Impositions, to the full extent of installments or amounts payable or arising during the Term, which may be assessed, levied, confirmed or imposed on or in respect of or be a lien upon the Premises, any Horizontal Improvements or other Improvements now or hereafter located thereon, any Personal Property now or hereafter located thereon (but excluding the personal property of any Subtenant whose interest is separately assessed), the Leasehold Estate, or any subleasehold estate permitted hereunder, including any taxable possessory interest which Tenant, any Subtenant or any other Person may have acquired pursuant to this Lease (but excluding any such Impositions separately assessed, levied or imposed on any Subtenant). Subject to the provisions of *Article 7* (Contests), Tenant will pay all Impositions directly to the taxing authority, prior to delinquency, provided that if any applicable Law permits Tenant to pay any such Imposition in installments, Tenant may elect to do so. In addition, Tenant will pay any fine, penalty, interest or cost as may be assessed for nonpayment or delinquent payment of any Imposition. As used herein, "Impositions" means all taxes (including possessory interest, real, personal and special taxes), assessments, liens, levies, fees, charges, or expenses of every description, levied, assessed, confirmed, or imposed by a governmental or quasi-governmental entity on the Premises, any of the Horizontal Improvements, Improvements or Personal Property located on the Premises, the Leasehold Estate, any subleasehold estate, or any use or occupancy of the Premises hereunder. Impositions includes all such taxes, assessments, liens, levies, fees charged or expenses of every description, whether general or special, ordinary or extraordinary, foreseen or unforeseen, or hereinafter levied or assessed in lieu of or in substitution of any of the foregoing of every character, including, without limitation, special taxes under the CFD. The foregoing or subsequent provisions notwithstanding, Tenant will not be responsible for any Impositions arising from or related to, Port's fee ownership interest in the Premises, Port's interest as landlord under this Lease, or any transfer thereof, including but not limited to, Impositions relating to the fee, transfer taxes associated with the conveyance of the fee, or business or gross rental taxes attributable to Port's fee interest or transfer thereof.

(c) Proof of Compliance. Within a reasonable time following Port's written request, which Port may give at any time and from time to time, Tenant will deliver to Port copies of official receipts of the appropriate taxing authorities, or other proof reasonably satisfactory to Port, evidencing the timely payment of such Impositions.

## **6.2. CFD Matters and Shortfall Provisions.**

(a) Notice of Special Tax. After the CFD Formation Proceedings are final, Tenant will deliver to Port an acknowledgment (the "Notice of Special Tax") in a form reasonably approved by Port confirming that Tenant has been advised of the terms and conditions of the CFD, including that the Premises is subject to the applicable special taxes.

(b) As material consideration for the Port entering into this Lease, Tenant will comply with all of the covenants and acknowledgements set forth in *Exhibit F* (CFD Matters) attached hereto, which covenants and acknowledgements will be recorded against title to the Premises and survive the expiration or earlier termination of this Lease.

(c) Shortfall Provisions.

(i) Tenant Waiver and Covenant. Tenant agrees to refrain from initiating a Reassessment to reduce the Baseline Assessed Value or later Current Assessed Value of the Premises until the IFD Termination Date. In addition, Tenant covenants that should Tenant initiate a Reassessment on a Taxable Parcel in the SUD in violation of the waiver in this **Section 6.2(c)**, and subject to **Section 6.2(c)(iii)** (Circumstances Causing Shortfall), Tenant and Port will take the following measures to avoid shortfalls.

(1) Tenant will pay Port the Assessment Shortfall within 20 days after Port delivers its payment demand. Amounts not paid when due will bear interest at the rate of 10%, compounded annually, until paid.

(2) The obligation to pay the Assessment Shortfall will begin in the City Fiscal Year following the Reassessment and continue until the earlier to occur of the following dates:

(A) the applicable IFD Termination Date; and

(B) when the Assessment Shortfall is reduced to zero.

(ii) Vertical Developer Waiver and Covenant. The Parties have agreed on forms of Vertical DDAs and Parcel Leases for Vertical Developers that include the following provisions.

(1) A waiver in which Vertical Developer agrees to refrain from initiating a Reassessment to reduce the Baseline Assessed Value or later Current Assessed Value of any Taxable Parcel in the SUD until the IFD Termination Date.

(2) A covenant by Vertical Developer that should Vertical Developer initiate a Reassessment on a Taxable Parcel in the SUD in violation of the waiver, and subject to **Section 6.2(c)(iii)** (Circumstances Causing Shortfall), Vertical Developer and Port will take the following measures to avoid shortfalls:

(A) Vertical Developer will pay Port the Assessment Shortfall within 20 days after Port delivers its payment demand. Amounts not paid when due will bear interest at the rate of 10%, compounded annually, until paid.

(B) The obligation to pay the Assessment Shortfall will begin in the City Fiscal Year following the Reassessment and continue until the earlier to occur of the following dates: (A) the applicable IFD Termination Date; and (B) when the Assessment Shortfall is reduced to zero.

(iii) Circumstances Causing Shortfall. This Section will apply if Tenant or any Vertical Developer initiates a Reassessment on a Taxable Parcel in the SUD in violation of **Section 6.2(c)(i)** (Tenant Waiver and Covenant) or **Section 6.2(c)(ii)** (Vertical Developer Waiver and Covenant).

(iv) Tax Exemption. Tenant and Port do not intend for this Section to affect the tax-exempt status of any bonds. Should the Tax Code change, or the Internal Revenue Service or a court of competent jurisdiction issue a ruling that might cause any tax-exempt bonds to be deemed taxable due to the requirements under this **Section 6.2(c)**, Port will release the obligations under this **Section 6.2(c)** and it will be deemed severed from this Lease.

(v) Mutual Expectations as to Shortfall Measures. Neither Tenant nor Port expects Port to make demand for payment under this Section. In light of the Parties' mutual expectations, Tenant has agreed to the waiver in **Section 6.2(c)(i)** (Tenant Waiver and Covenant) and to include waiver and covenant language in documents with Vertical Developers as described in **Section 6.2(c)(ii)** (Vertical Developer Waiver and Covenant).

(vi) *No Negotiation*. Tenant understands that Port would not be willing to enter into this Lease without this *Section 6.2(c)*.

**6.3. Port's Right to Pay.** Unless Tenant is exercising its right to contest in accordance with the provisions of *Article 7* (Contests), if Tenant fails to pay and discharge any Imposition (including fines, penalties and interest) that it is obligated hereunder to pay prior to delinquency, Port, at its sole option, may (but is not obligated to) pay or discharge the same; provided that prior to paying any such delinquent Imposition, Port will give Tenant written notice specifying a date that is at least ten (10) days following the date such notice is given after which Port intends to pay such Impositions. If Tenant fails, on or before the date specified in such notice, to pay the delinquent Imposition and the same may become a lien on the Premises, then Port may thereafter pay such Imposition, and the amount so paid by Port (including any interest and penalties thereon paid by Port), together with interest at the Default Rate computed from the date Port makes such payment, will be payable by Tenant as Additional Rent.

## 7. CONTESTS.

Subject to *Section 6.2* (CFD Matters and Shortfall Provisions), Tenant has the right to contest the amount, validity or applicability, in whole or in part, of any Impositions, mechanics' lien or encumbrance (including any arising from work performed or materials provided to Tenant or any Subtenant to improve all or a portion of the Premises) by appropriate proceedings conducted in good faith and with due diligence, at no cost to Port, provided that, prior to commencement of such contest, Tenant notifies Port of such contest. Tenant must notify Port of the final determination of such contest within fifteen (15) days after such determination. Subject to *Section 6.2* (CFD Matters and Shortfall Provisions), nothing in this Lease requires Tenant to pay any Impositions, mechanics' lien, or encumbrance so long as Tenant contests the validity, applicability or amount of such Impositions, mechanics' lien or encumbrance in good faith, and so long as it does not allow the portion of the Premises affected by such Impositions, mechanics' lien or encumbrance to be forfeited to the entity levying such Impositions, mechanics' lien or encumbrance as a result of its nonpayment. If any Law requires as a condition to such contest, that the disputed amount be paid under protest, or that a bond or similar security be provided, Tenant must comply with such condition as a condition to its right to contest. Tenant is responsible for the payment of any interest, penalties or other charges that may accrue as a result of any contest, and Tenant must provide a statutory lien release bond or other security reasonably satisfactory to Port in any instance where Port's interest in the Premises may be subjected to such lien or claim. Tenant is not required to pay any Impositions, mechanics' lien or encumbrance being so contested during the pendency of any such proceedings unless payment is required by the court or agency conducting such proceedings. Port, at its own expense and at its sole option, may elect to join in any such proceeding whether or not any Law requires that such proceedings be brought by or in the name of Port or any owner of the Premises. Port will not be subjected to any liability for the payment of any fines or penalties, and except as provided in the preceding sentence, costs, expenses, or fees, including Attorneys' Fees and Costs, in connection with any such proceeding. Without limiting *Article 28* (Tenant's Recourse Against Port), Tenant will Indemnify the Indemnified Parties for all Losses resulting from Tenant's contest of any Imposition, mechanics' lien or encumbrance.

## 8. COMPLIANCE WITH LAWS.

**8.1. Tenant's Obligation to Comply.** Subject to *Section 8.2* (Unforeseen Requirements) hereof and without limiting tenants obligation to comply with the other terms and conditions of this Lease during the Term, Tenant will comply with, at no cost to Port, (i) all applicable Laws (taking into account any variances or other deviations properly approved), (ii) the Pier 70 Risk Management Plan, (iii) the DDA, (iv) the Mitigation Monitoring and Reporting Program, and (v) the Transportation Demand Management Plan. The foregoing sentence will not be deemed to limit Port's ability to act in its legislative or regulatory capacity, including the exercise of its police powers. In particular, Tenant acknowledges that the

Permitted Uses do not limit Tenant's responsibility to obtain Regulatory Approvals for such Permitted Uses, nor do such Permitted Uses limit Port's responsibility in the issuance of any such Regulatory Approvals to comply with applicable Laws. It is understood and agreed that Tenant's obligation to comply with Laws includes the obligation to make, at no cost to Port, all additions to, modifications of, and installations on the Premises that may be required by any Laws relating to or affecting the Premises.

**8.2. Unforeseen Requirements.** The Parties acknowledge and agree that Tenant's obligation under this *Section 8.2* (Unforeseen Requirements) to comply with all Laws and the other requirements set forth in *Section 8.1* (Tenant's Obligation to Comply) is a material part of the bargained-for consideration under this Lease. Notwithstanding the foregoing, the Parties acknowledge that the primary purpose of this Lease is for the implementation of the Project under the DDA, including construction of Horizontal Improvements, not for the occupancy, use, repair or maintenance of buildings existing as of the Commencement Date, except as expressly required under the DDA or required or permitted hereunder. Therefore, except as set forth in this *Section 8.2* (Unforeseen Requirements) no occurrence or situation arising during the Term, or any Law, whether foreseen or unforeseen, and however extraordinary, relieves Tenant from its liability to pay all of the sums required by any of the provisions of this Lease, or otherwise relieves Tenant from any of its obligations under this Lease or the DDA, or gives Tenant any right to terminate this Lease in whole or in part. Tenant waives any rights now or hereafter conferred upon it by any Law to terminate this Lease or to receive any abatement, diminution, reduction or suspension of payment of such sums, on account of any such occurrence or situation, provided that such waiver will not affect or impair any right or remedy expressly provided Tenant under this Lease; provided, however, until the time Master Developer is required under the DDA to rehabilitate existing buildings in the Premises, Tenant will have no obligation to comply with Laws and the other requirements set forth in *Section 8.1* (Tenant's Obligation to Comply) that might require substantial improvements to buildings or facilities existing within the Premises as of the Commencement Date if, as an alternative, Tenant can take reasonable measures to obviate the applicability of such Laws or cease use of the affected area for purposes other than preparation for or construction of the Horizontal Improvements. For example, Tenant will have no obligation to undertake any improvements to the buildings existing on the Premises as of the Commencement Date that would otherwise be required by applicable Laws for occupancy (e.g., disability access or seismic upgrades) if the applicable buildings are vacated and secured from occupancy.

## **9. REGULATORY APPROVALS.**

**9.1. Port Acting as Owner of Property.** Tenant understands and agrees that Port is entering into this Lease in its proprietary capacity as the holder of fee title to the Premises and not as a Regulatory Agency with certain police powers. By entering into this Lease, Port is in no way modifying or limiting the obligation of Tenant to obtain any required Regulatory Approvals from Regulatory Agencies, and to cause the Premises to be used and occupied in accordance with all Laws and required Regulatory Approvals. Tenant acknowledges and agrees that Port has made no representation or warranty that the necessary Regulatory Approvals to allow for the development of the Horizontal Improvements or other Improvements can be obtained. Tenant further acknowledges and agrees that although Port is an agency of the City, Port staff and executives have no authority or influence over officials or Regulatory Agencies responsible for the issuance of any Regulatory Approvals, including Port and/or City officials acting in a regulatory capacity. Accordingly, there is no guarantee, nor a presumption, that any of the Regulatory Approvals required for the approval or development of the Horizontal Improvements or other Improvements will be issued by the appropriate Regulatory Agencies, and Tenant understands and agrees that neither entry by Port into this Lease nor any approvals given by Port under this Lease will be deemed to imply that Tenant will obtain any required approvals from Regulatory Agencies which have jurisdiction over the Horizontal Improvements, other Improvements and/or the Premises, including Port itself in its regulatory capacity. Port's status

as an agency of the City in no way limits the obligation of Tenant, at Tenant's own cost and initiative, to obtain Regulatory Approvals from Regulatory Agencies that have jurisdiction over the Horizontal Improvements or other Improvements. By entering into this Lease, Port is in no way modifying or limiting Tenant's obligations to cause the Premises to be developed, Restored, used and occupied in accordance with all Laws. Tenant further acknowledges and agrees that any time limitations on Port review or approval within this Lease applies only to Port in its proprietary capacity, not in its regulatory capacity. Without limiting the foregoing, Tenant understands and agrees that Port staff have no obligation to advocate, promote or lobby any Regulatory Agency and/or any local, regional, state or federal official for any Regulatory Approval, for approval of the Horizontal Improvements or other Improvements or other matters related to this Lease, and any such advocacy, promotion or lobbying will be done by Tenant at Tenant's sole cost and expense. Tenant hereby waives any claims against the Indemnified Parties, and fully releases and discharges the Indemnified Parties to the fullest extent permitted by Law, from any Losses relating to the failure of Port, the City or any Regulatory Agency from issuing any required Regulatory Approval or from issuing any approval of the Horizontal Improvements or other Improvements.

**9.2. Regulatory Approval; Conditions.** The provisions of this *Section 9.2* (Regulatory Approval; Conditions) do not apply to Regulatory Approvals required for development of the Horizontal Improvements pursuant to the DDA, which is governed by the DDA. Tenant understands that Tenant's use and operations on the Premises for the Ancillary Permitted Uses may require Regulatory Approvals from Regulatory Agencies, which may include the City, Port, the RWQCB, SFPUC, and other Regulatory Agencies. Tenant is solely responsible for obtaining any such Regulatory Approvals, as further provided in this Section.

Port, at no cost to Port, will cooperate reasonably with Tenant in its efforts to obtain such Regulatory Approvals, including submitting letters of authorization for submittal of applications consistent with applicable Laws and to further terms and conditions of this Lease, including without limitation, being a co-permittee with respect to any such Regulatory Approvals. However, if Port is required to be a co-permittee under any such permit, then Port will not be subject to any conditions and/or restrictions under such permit that could (a) encumber, restrict or adversely change the use of any Port property other than the Premises, unless in each instance Port has previously approved, in Port's sole and absolute discretion, such conditions or restrictions and Tenant has assumed all obligations and liabilities related to such conditions and/or restrictions; or (b) restrict or change the use of the Premises in a manner not otherwise permitted under this Lease; or (c) subject Port to unreimbursed costs or fees, unless in each instance Port has previously approved, in Port's reasonable discretion, such conditions and/or restrictions and Tenant has assumed all obligations and liabilities related to such conditions and/or restrictions (including the assumption of any unreimbursed costs or fees to which Port may be subject).

Port will provide Tenant with its approval or disapproval thereof in writing to Tenant within ten (10) business days after receipt of Tenant's written request, or if Port's Executive Director reasonably determines that Port Commission or Board action is required under applicable Laws, at the first Port and subsequent Board hearings after receipt of Tenant's written request subject to notice requirements and reasonable staff preparation time, not to exceed forty-five (45) days for Port Commission action alone and seventy-five (75) days if both Port Commission and Board action is required, provided such period may be extended to account for any recess or cancellation of board or commission meetings. Port will join in any application by Tenant for any required Regulatory Approval and execute such permit where required, provided that Port has no obligation to join in any such application or sign the permit if Port does not approve of the conditions or restrictions imposed by the Regulatory Agency under such permit as set forth above in this *Section 9.2*. Tenant further acknowledges and agrees that any time limitations on Port review or approval within this Lease apply only to Port in its proprietary capacity, not in its regulatory capacity.

Tenant will bear all costs associated with (1) applying for and obtaining any necessary Regulatory Approval, and (2) complying with any and all conditions or restrictions imposed by Regulatory Agencies as part of any Regulatory Approval, including the economic costs of any development concessions, waivers, or other impositions, and whether such conditions or restrictions are on-Premises or require off-Premises improvements, removal, or other measures. Tenant in its sole discretion has the right to appeal or contest any condition in any manner permitted by Law imposed by any such Regulatory Approval; provided, however, if Port is a co-permittee, then Tenant will have first obtained Port's prior consent, not to be unreasonably withheld, prior to commencing any such appeal or contest. Tenant will provide Port with prior notice of any such appeal or contest and keep Port informed of such proceedings. Tenant will pay or discharge any fines, penalties or corrective actions imposed as a result of the failure of Tenant to comply with the terms and conditions of any Regulatory Approval. No Port approval will limit Tenant's obligation to pay all the costs of complying with any conditions or restrictions.

Without limiting any other Indemnification provisions of this Lease, Tenant will Indemnify the Indemnified Parties from and against any and all Losses which may arise in connection with Tenant's failure to obtain or seek to obtain in good faith, or to comply with the terms and conditions of any Regulatory Approval which will be necessary to operate the Premises in accordance with the terms hereof except to the extent that such Losses arise from the gross negligence or willful acts or omissions of an Indemnified Party acting in its proprietary (and not its regulatory) capacity.

#### **10. TENANT'S MANAGEMENT AND OPERATING COVENANTS.**

**10.1. Construction of the Horizontal Improvements.** Tenant will construct the Horizontal Improvements in accordance with the DDA.

**10.2. Mitigation Monitoring and Reporting Program.** In order to mitigate any potential significant environmental impacts of the Project and operation of the Premises, Tenant agrees that the development and operation of the Project will be in accordance with mitigation measures set forth in the Mitigation Monitoring and Reporting Program attached as *Exhibit G*. As appropriate, Tenant will incorporate the Mitigation Monitoring and Reporting Program into any contract for the development of the Horizontal Improvements and/or operation of the Horizontal Improvements and the Premises.

**10.3. Special Events.** All Special Events must be conducted in accordance with all the conditions set forth in *Exhibit H*.

**10.4. Parking Operations.** Tenant will have the right, but not the obligation, to operate surface parking spaces and lots within the Premises until no more surface areas within the Premises are available for surface parking use due to the need for such areas for the construction of the Horizontal Improvements, including staging for the same.

(a) **Generally.** Subject to this *Section 10.4*, all surface parking spaces will be available to the artist tenants of the Noonan Building, and otherwise to the general public on a non-exclusive basis only, and offered at fair market rates on either a daily basis or a monthly basis (provided Tenant will not offer discounted rates for monthly parking, as more particularly set forth in the Transportation Demand Management Plan) and available at least 8 consecutive hours daily.

(b) **Parking Revenues.** All parking revenues will be applied in accordance with *Exhibit D* (Rent).

(c) **Prevailing Rate of Wages and Displaced Work Protection Required for Workers.** Tenant will comply fully and be bound by all the requirements of Sections 21C.3 and 21C.7 of the City's Administrative Code. In general, the ordinance requires operators of public off-street parking lots, garages, or storage facilities for automobiles on property owned or



leased by Port to pay employees working in such facilities not less than the Prevailing Rate of Wages, as defined by ordinance, including fringe benefits or the matching equivalents thereof, paid in private employment for similar work. The ordinance also requires the operator of such facilities to retain for a 90-day transition employment period, the Employees, as defined by the ordinance, who have worked at least 15 hours per week and have been employed by the immediately preceding operator or its subcontractors, if any, for the preceding twelve months or longer at the facility or facilities covered by the agreement with the Port, provided that just cause does not exist to terminate any Employee. The predecessor operator's Employees who worked at least 15 hours per week will be employed in order of their seniority with the predecessor. In the event of a conflict between the terms of this *Section 10.4(c)* and Sections 21C.3 and 21C.7 of the City's Administrative Code, the terms of the Administrative Code shall prevail.

(d) **Revenue Control Equipment.** Tenant will comply with *Article 22* (Port's Right to Pay Sums Owed by Tenant) of the San Francisco Business and Tax Regulations Code, including, without limitation the requirement to install, maintain and use Revenue Control Equipment at the Premises. Tenant will immediately notify Port in writing of any audit, inspection, alleged violation, violation or penalty action taken under such Article by any Enforcing Agency, as defined by *Article 22* (Port's Right to Pay Sums Owed by Tenant). In addition to any other requirements under this Lease, upon Port's request, Tenant will provide Port a copy of all information submitted to the Tax Collector and any other City department or official to demonstrate Tenant's compliance with *Article 22-* (Port's Right to Pay Sums Owed by Tenant).

**10.5. Transportation Demand Management Plan.** Tenant will comply with the Transportation Demand Management Plan throughout the Term.

**10.6. Pier 70 Risk Management Plan.** Tenant will comply, and will cause its Agents to comply, with all applicable provisions of the Pier 70 Risk Management Plan, a copy of which has been provided to Tenant, including requirements to notify all site users, comply with risk management measures during construction, and inspect, document and report site conditions to Port annually. Any and all Subleases will require Subtenants (including its Agents) to comply with all applicable provisions of the Pier 70 Risk Management Plan.

## **11. REPAIR AND MAINTENANCE.**

### **11.1. Covenants to Repair and Maintain the Premises.**

(a) Except as set forth in *Sections 11.1(b) and 11.1(c)*, Tenant is obligated at its sole cost and expense (but without limitation on Master Developer's right to reimbursement under the DDA or Acquisition Agreement) to maintain, repair and replace the Historic Buildings in the condition existing as of the Effective Date and any Improvements constructed or rehabilitated by Tenant on the Premises, reasonable wear and tear excepted and subject further to all Regulatory Approvals.

(b) Tenant is obligated at its sole cost and expense (but without limitation on Master Developer's right to reimbursement under the DDA or Acquisition Agreement) to maintain, repair and replace the Horizontal Improvements to a condition required by the DDA for the City's Acceptance of the same until the applicable Horizontal Improvements are Accepted by the City and the applicable Horizontal Improvement Parcel is released from the Premises in accordance with *Section 1.1(b)(ii)* (Horizontal Improvement Parcels). Tenant will make such repairs and replacements with materials and quality of workmanship at least equivalent in quality, appearance, public safety, and durability to and in all respects consistent with the Horizontal Improvements installed at the time of issuance of the final certificate of occupancy for the applicable Horizontal Improvements.

(c) Prior to the annexation of the Building 11 Site into the Premises, Tenant is obligated at its sole cost and expense (but without limitation on Master Developer's right to reimbursement under the DDA or Acquisition Agreement), to repair and replace any damage

caused by Tenant, its Subtenants, Agents or Invitees to the utilities serving the Noonan Building tenants and artists. Prior to the annexation of the Building 11 Site into the Premises, if Port determines that the utilities serving the Noonan Building tenants and artists require maintenance, repair or replacement for any other reason, then Tenant will grant Port a right of access to the Building 11 Site and such other areas within the Premises as reasonably necessary to perform such maintenance, repair or replacement, provided Port does not unreasonably interfere with the construction of the Horizontal Improvements.

(d) For purposes of this Lease, the term “reasonable wear and tear” will not include any deterioration in the condition or diminution of the value of any portion of the Premises in any manner whatsoever related directly or indirectly to Tenant’s failure to comply with the terms and conditions of this Lease. Port is not obligated to make any repairs, replacement or renewals of any kind, nature or description whatsoever to the Premises nor to any Horizontal Improvements, other Improvements or Subsequent Construction. Tenant hereby waives all rights to make repairs at Port’s expense under Sections 1932(1), 1941 and 1942 of the California Civil Code or under any similar Law now or hereafter in effect.

**11.2. Port’s Right to Inspect.** Port or the City may make periodic inspections of the Premises to inspect the construction and development of the Horizontal Improvements or as otherwise required or reasonably necessary to determine Tenant’s compliance with this Lease, in all cases upon reasonable prior notice to Tenant during regular business hours. During an inspection, Port will comply with Master Developer’s onsite safety measures and act reasonably to minimize any interference with Master Developer’s construction activities. Port will provide a copy of any inspection reports prepared by Port or its Agents promptly following Master Developer’s request, subject to Port’s right to withhold documents otherwise privileged or confidential. Port disclaims any warranties, representations, and statements made in any reports, will have no liability or responsibility with respect to any warranties, representations, and statements, and will not be estopped from taking any action (including later claiming that the construction of the Horizontal Improvements is defective, unauthorized, or incomplete) or be required to take any action as a result of any inspection.

**11.3. Right to Repair.** In the event Tenant fails to maintain, repair, and replace the Premises, the Historic Buildings, Horizontal Improvements, damages to utilities serving the Noonan Building tenants and artists or the other Improvements, as applicable, in accordance with **Section 11.1** (Repair and Maintenance) and such failure is likely to cause imminent physical harm to any Person or constitutes a violation of applicable Law, or with respect to Historic Buildings only, such failure is likely to result in deterioration to or damage of the Historic Buildings below the condition existing on the Commencement Date (reasonable wear and tear excepted), Port or the City may repair the same at Tenant’s cost and expense and Tenant will reimburse Port or the City, as applicable, as provided in this **Section 11.3**; provided, however, with respect to Tenant’s failure to maintain and repair the Horizontal Improvements only, Port may call on the Maintenance and Repair Bond, if any, in lieu of expending its own funds for such repairs. Except in the event of an emergency, Port or the City, as applicable, will first provide no less than fifteen (15) days prior notice to Tenant before commencing any maintenance to or repair of any of the foregoing. If Tenant does not commence maintenance or repair of the affected Horizontal Improvements or provide assurances reasonably satisfactory to Port or the City, as applicable, that Tenant will commence maintenance or repair of the same within such fifteen (15) day period, then Port or the City, as applicable, may proceed to take the required action. If Port or the City, as applicable, elects to proceed with such repair or maintenance, then promptly following completion of any work taken by Port or the City, as applicable, pursuant to this **Section 11.3**, Port or the City, as applicable, will deliver a detailed invoice of the work completed, the materials used and the costs relating thereto. Tenant also will pay to Port or the City, as applicable, an administrative fee equal to ten percent (10%) of the total “hard costs” of the work. “Hard costs” include the cost of materials and installation, but exclude any costs associated with design, such as architectural fees. Tenant will pay to Port or the City,

as applicable, the amount set forth in the invoice within thirty (30) days after delivery of the invoice.

**11.4. Maintenance Notice.** In the event Port notifies Tenant of a failure to maintain and repair in accordance with *Section 11.1* (Covenants to Repair and Maintain the Premises) (“Maintenance Notice”), Tenant will pay to Port, as Additional Rent, an amount equaling Three Hundred Dollars (\$300), which amount will be increased by one hundred dollars on the tenth (10<sup>th</sup>) Anniversary Date and every ten (10) years thereafter, upon delivery of the Maintenance Notice. In the event Port determines during subsequent inspection(s) that Tenant has failed to so maintain the Premises in accordance with this *Article 11*, then Tenant will pay to Port, as Additional Rent, an amount equaling Four Hundred Dollars (\$400), which amount will be increased by One Hundred Dollars (\$100.00) on the tenth (10<sup>th</sup>) Anniversary Date and every ten (10) years thereafter, for each additional Maintenance Notice, if applicable, delivered by Port to Tenant following each inspection. The Parties agree that the charges associated with each inspection of the Premises and delivery of each Maintenance Notice represent a fair and reasonable estimate of the administrative cost and expense which Port will incur by reason of Port’s inspection of the Premises and issuance of each Maintenance Notice. Tenant’s failure to comply with the applicable Maintenance Notice and Port’s right to impose the foregoing charges is in addition to and not in lieu of any and all other rights and remedies of Port under this Lease. The amounts set forth in this *Section 11.4* are due within five (5) days following delivery of the applicable Maintenance Notice.

Tenant’s Initials: \_\_\_\_\_

**12. HORIZONTAL IMPROVEMENTS.**

**12.1. Tenant’s Obligation to Construct the Horizontal Improvements.** Tenant is obligated to construct, the Horizontal Improvements during the Term in accordance with the DDA, including Articles 13-17 thereof. Tenant’s and Master Developer’s construction of the Horizontal Improvements in accordance with the DDA is a material part of the bargained for consideration under this Lease and failure to do so in accordance with this Lease and the DDA may result in, among other things, termination of this Lease. Port has no obligation to construct any of the Horizontal Improvements.

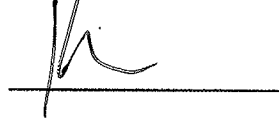
**12.2. Tenant’s Obligation to Make Horizontal Improvements Available for Use Prior to Acceptance.** Before Acceptance of the applicable Horizontal Improvements, subject to the immediately following sentence, Tenant will have the right, but not the obligation, to make the Horizontal Improvements that (a) will be operated by the SFPUC, available for SFPUC’s use without charge or any fee, and (b) would generally be available for the public’s use, such as streets, sidewalks, parks and open space, available for use by all parties, including Vertical Developers, the general public, the City and Port, without charge or any fee. Notwithstanding the foregoing, Tenant will make available for use without charge, all Horizontal Improvements necessary for any Vertical Developer to obtain a temporary certificate of occupancy for its Vertical Improvements.

**12.3. Title to Improvements.** Tenant will own all Horizontal Improvements until they are Accepted. Tenant will own during the Term all Subsequent Construction located on the Premises and all appurtenant fixtures, machinery and equipment installed therein (except for subtenant improvements to the extent owned by any subtenant pursuant to such sublease, trade fixtures and other personal property of Subtenants). Upon release of the applicable Park/Phase Improvement Parcel, title to the Improvements within such Park/Phase Improvement Parcel including appurtenant fixtures (but excluding trade fixtures and other personal property of Tenant and its Subtenants), will vest in Port without further action of any Party, and without compensation or payment to Tenant (but without limitation on Master Developer’s right to reimbursement under the DDA or Acquisition Agreement). Tenant and its Subtenants have the right at any time, or from time to time, including, without limitation, at the expiration or upon the

as applicable, the amount set forth in the invoice within thirty (30) days after delivery of the invoice.

**11.4. Maintenance Notice.** In the event Port notifies Tenant of a failure to maintain and repair in accordance with *Section 11.1* (Covenants to Repair and Maintain the Premises) ("Maintenance Notice"), Tenant will pay to Port, as Additional Rent, an amount equaling Three Hundred Dollars (\$300), which amount will be increased by one hundred dollars on the tenth (10<sup>th</sup>) Anniversary Date and every ten (10) years thereafter, upon delivery of the Maintenance Notice. In the event Port determines during subsequent inspection(s) that Tenant has failed to so maintain the Premises in accordance with this *Article 11*, then Tenant will pay to Port, as Additional Rent, an amount equaling Four Hundred Dollars (\$400), which amount will be increased by One Hundred Dollars (\$100.00) on the tenth (10<sup>th</sup>) Anniversary Date and every ten (10) years thereafter, for each additional Maintenance Notice, if applicable, delivered by Port to Tenant following each inspection. The Parties agree that the charges associated with each inspection of the Premises and delivery of each Maintenance Notice represent a fair and reasonable estimate of the administrative cost and expense which Port will incur by reason of Port's inspection of the Premises and issuance of each Maintenance Notice. Tenant's failure to comply with the applicable Maintenance Notice and Port's right to impose the foregoing charges is in addition to and not in lieu of any and all other rights and remedies of Port under this Lease. The amounts set forth in this *Section 11.4* are due within five (5) days following delivery of the applicable Maintenance Notice.

Tenant's Initials:



## 12. HORIZONTAL IMPROVEMENTS.

**12.1. Tenant's Obligation to Construct the Horizontal Improvements.** Tenant is obligated to construct, the Horizontal Improvements during the Term in accordance with the DDA, including Articles 13-17 thereof. Tenant's and Master Developer's construction of the Horizontal Improvements in accordance with the DDA is a material part of the bargained for consideration under this Lease and failure to do so in accordance with this Lease and the DDA may result in, among other things, termination of this Lease. Port has no obligation to construct any of the Horizontal Improvements.

**12.2. Tenant's Obligation to Make Horizontal Improvements Available for Use Prior to Acceptance.** Before Acceptance of the applicable Horizontal Improvements, subject to the immediately following sentence, Tenant will have the right, but not the obligation, to make the Horizontal Improvements that (a) will be operated by the SFPUC, available for SFPUC's use without charge or any fee, and (b) would generally be available for the public's use, such as streets, sidewalks, parks and open space, available for use by all parties, including Vertical Developers, the general public, the City and Port, without charge or any fee. Notwithstanding the foregoing, Tenant will make available for use without charge, all Horizontal Improvements necessary for any Vertical Developer to obtain a temporary certificate of occupancy for its Vertical Improvements.

**12.3. Title to Improvements.** Tenant will own all Horizontal Improvements until they are Accepted. Tenant will own during the Term all Subsequent Construction located on the Premises and all appurtenant fixtures, machinery and equipment installed therein (except for subtenant improvements to the extent owned by any subtenant pursuant to such sublease, trade fixtures and other personal property of Subtenants). Upon release of the applicable Park/Phase Improvement Parcel, title to the Improvements within such Park/Phase Improvement Parcel including appurtenant fixtures (but excluding trade fixtures and other personal property of Tenant and its Subtenants), will vest in Port without further action of any Party, and without compensation or payment to Tenant (but without limitation on Master Developer's right to reimbursement under the DDA or Acquisition Agreement). Tenant and its Subtenants have the right at any time, or from time to time, including, without limitation, at the expiration or upon the

earlier termination of the Term, to remove Personal Property from the Premises; provided, however, that if the removal of Personal Property causes damage to the Premises, Tenant will promptly cause the repair of such damage at no cost to Port.

### 13. SUBSEQUENT CONSTRUCTION.

#### 13.1. *Port Approval.*

(a) **Generally.** Tenant will have the right, from time to time during the Term, to construct Subsequent Construction in accordance with the provisions of this *Article 13*.

(b) **Subsequent Construction Requiring Port's Approval in Port's Sole Discretion.** Tenant has the right during the Term to perform Subsequent Construction in accordance with the provisions of this *Article 13*, provided that Tenant cannot do any of the following without Port's prior approval, which approval may be withheld by Port in its sole discretion:

(i) Construct additional buildings or other additional above ground structures on Development Parcels prior to the applicable parcel's release from the Premises, other than temporary buildings, and structures necessary to advance the Permitted Uses that are Demolished and Removed by Tenant prior to the earlier of (A) five (5) years from completion of such temporary buildings or structures, or (B) the applicable parcel's release from the Premises;

(ii) Decrease the bulk or height of the exterior of any Historic Building beyond the bulk or height existing as of the Commencement Date;

(iii) Materially alter the Historic Fabric of any Historic Building unless pursuant to the requirements of an approved Regulatory Approval or the DDA;

(iv) Perform Subsequent Construction on any Historic Building that would cause a decertification of all or a portion of the Historic Building for Historic Preservation Tax Credits, or that does not comply with the Secretary's Standards; or

(v) Perform Subsequent Construction to Public Access Areas or other areas of the Premises that Master Developer has agreed to open to the general public prior to Acceptance (such as streets and parks), if the Subsequent Construction would adversely affect (other than temporarily during the period of such Subsequent Construction) the public's access to, or the use or appearance of, such areas.

#### 13.2. *Construction Schedule.*

(a) **Performance.** Once commenced, Tenant will prosecute all Subsequent Construction with reasonable diligence, subject to Force Majeure.

(b) **Reports and Information.** During periods of construction, Tenant will submit to Port written progress reports when and as reasonably requested by Port.

#### 13.3. *Construction.*

(a) **Commencement of Construction.** Tenant will not commence any Subsequent Construction until Tenant has obtained all building permits, other Regulatory Approvals and Port approvals to the extent required.

(b) **Construction Standards.** All Subsequent Construction must be performed by duly licensed and bonded contractors or mechanics and must be accomplished expeditiously, diligently and in accordance with good construction and engineering practices and applicable Laws, and, in the case of Subsequent Construction on Historic Buildings only, will be consistent with the Secretary's Standards and the historic register status of the Union Iron Works Historic District.

(c) **Reports and Information.** During periods of Construction, Tenant will submit to Port written progress reports or other reports for the benefit of or requested by the County Assessor when and as reasonably requested by the County Assessor.

(d) **Costs of Construction.** Port will have no responsibility for costs of any Construction and Tenant will pay (or cause to be paid) all such costs.

(e) **Construction Rights of Access.** During any period of Subsequent Construction, Port and its Agents have the right to enter areas in which Subsequent Construction is being performed, on reasonable prior written notice during customary construction hours, subject to the rights of Subtenants and to Tenant's right of quiet enjoyment under this Lease, to inspect the progress of the work; provided, however, that Port and its Agents will conduct their activities in such a way to minimize interference with Tenant and its operations to the extent feasible. Nothing in this Lease, however, will be interpreted to impose an obligation upon Port to conduct such inspections or any liability in connection therewith.

(f) **Prevailing Wages.** Any construction, alteration, demolition, installation, maintenance, repair, or laying of carpet at, or hauling of refuse from, the Premises comprise a public work if paid for in whole or part out of public funds. The terms "public work" and "paid for in whole or part out of public funds" as used in this Section are defined in California Labor Code Section 1720 et seq., as amended. Tenant agrees that any person performing labor for Tenant on any public work at the Premises will be paid not less than the highest prevailing rate of wages consistent with the requirements of Section 6.22(E) of the San Francisco Administrative Code, and will be subject to the same hours and working conditions, and will receive the same benefits as in each case are provided for similar work performed in San Francisco County. Tenant will include in any contract for such labor a requirement that all persons performing labor under such contract will be paid not less than the highest prevailing rate of wages for the labor so performed. Tenant will require any contractor to provide, and will deliver to City upon request, certified payroll reports with respect to all persons performing such labor at the Premises.

(g) **Compliance with Workforce Development Plan.** Tenant agrees that it will comply with the Workforce Development Plan attached hereto as *Exhibit I*.

**13.4. Safety Matters.** Tenant, while performing any Subsequent Construction or maintenance or repair of the Improvements (for purposes of this Section only, "Work"), will undertake commercially reasonable measures in accordance with good construction practices to minimize the risk of injury or damage to adjoining portions of the Premises, the Horizontal Improvements, and Improvements and the surrounding property, or the risk of injury to persons or members of the public, caused by or resulting from the performance of its Work. Tenant will erect appropriate construction barricades to enclose the areas 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.

**13.5. Record Drawings.**

(a) With respect to any Subsequent Construction requiring a building permit (but excluding temporary structures), Tenant will furnish to Port one set of design/permit drawings in their finalized form and Record Drawings with respect to such Subsequent Construction within ninety (90) days following completion of the applicable Subsequent Construction and Port's written notice to Tenant requesting same. Record Drawings must be in the form of full-size, hard paper copies and converted into electronic format as (1) full-size scanned TIF files, and (2) AutoCad files of the completed and updated Final Construction Documents, as further described below, and in such format as is reasonably required by Port's building department at the time of submittal. As used in this Section "Record Drawings" means drawings, plans and surveys showing the Subsequent Construction as built on the Premises and prepared during the course of construction (including all requests for information, responses,

field orders, change orders, and other corrections to the documents made during the course of construction). If Tenant fails to provide such Record Drawings to Port within the time period specified herein, and such failure continues for an additional ninety (90) days following an additional written request from Port, Port will thereafter have the right to cause an architect or surveyor selected by Port to prepare Record Drawings showing such Subsequent Construction, and the actual, third-party cost of preparing such Record Drawings must be reimbursed by Tenant to Port as Additional Rent. Nothing in this Section limits Tenant's obligations, if any, to provide plans and specifications in connection with Subsequent Construction under applicable regulations adopted by Port in its regulatory capacity. Tenant is permitted to disclaim any representations or warranties with respect to the design/permit drawings, Record Drawings or other plans and specifications provided hereunder, and, at Tenant's request, Port will provide Tenant with a release from liability for future use of the applicable materials, in a form acceptable to Tenant and Port.

(b) **Record Drawing Requirements.** Record Drawings must be no less than (24" x 36"), with mark-ups neatly drafted to indicate modifications from the original design drawings, scanned at 400 dpi. Each drawing will have a Port-assigned number placed onto the title block prior to scanning. An index of drawings must be prepared correlating drawing titles to the numbers. A minimum of ten (10) drawings will be scanned as a test, prior to execution of this requirement in full.

(c) **AutoCad Requirements.** The AutoCad files must be contained in Release 2006 or a later version, and drawings must be transcribed onto a compact disc(s) or DVD(s), as requested by Port. All X-REF, block and other referenced files must be coherently addressed within the environment of the compact disc or DVD, at Port's election. Discs containing files that do not open automatically without searching or reassigning X-REF addresses will be returned for reformatting. A minimum of ten (10) complete drawing files, including all referenced files, is required to be transmitted to Port as a test, prior to execution of this requirement in full.

(d) **Changes in Technology.** Port reserves the right to revise the format of the required submittals set forth in this *Section 13.5* as technology changes and new engineering/architectural software is developed.

#### **14. UTILITY SERVICES.**

**14.1. *Utility Services.*** Tenant acknowledges and agrees that Port, in its proprietary capacity as owner of the Premises and landlord under this Lease, will not provide any utility services to the Premises or any portion of the Premises. Additionally, Tenant's construction of the various utilities infrastructure as part of the Horizontal Improvements required under the DDA is a material bargained for consideration of this Lease. Tenant, at its sole expense, must (i) arrange for the provision and construction of all on-site and off-site utilities necessary to construct, operate and use the Horizontal Improvements, all of the buildings to be constructed and any other portion of the Premises for their intended use, (ii) be responsible for contracting with, and obtaining, all necessary utility and other services, as may be necessary and appropriate to the uses to which all of the Improvements and the Premises are put, and (iii) maintain and repair all utilities serving the Premises to the point provided by the respective utility service provider (whether on or off the Premises). Tenant also must coordinate with the respective utility service provider with respect to the installation of utilities, including providing advance notice to appropriate parties of trenching requirements.

Tenant will pay or cause to be paid as the same become due, all deposits, charges, meter installation fees, connection fees and other costs for all public or private utility services at any time rendered to the Premises or any part of the Premises, and will do all other things required for the maintenance, repair, replacement, and continuance of all such services. Except as otherwise set forth in the Development Agreement and DDA, Tenant agrees, with respect to any public utility services provided to the Premises by City, that no act or omission of City in its

capacity as a provider of public utility services, abrogates, diminishes, or otherwise affects the respective rights, obligations and liabilities of Tenant and Port under this Lease, or entitle Tenant to terminate this Lease or to claim any abatement or diminution of Rent. Further, Tenant covenants not to raise as a defense to its obligations under this Lease, or assert as a counterclaim or cross-claim in any litigation or arbitration between Tenant and Port relating to this Lease, any Losses arising from or in connection with City's provision (or failure to provide) public utility services, except to the extent to preserve its rights hereunder that failure to raise such claim in connection with such litigation would result in a waiver of such claim. The foregoing does not constitute a waiver by Tenant of any claim it may now or in the future have (or claim to have) against any such public utility provider relating to the provision of (or failure to provide) utilities to the Premises.

**14.2. Electricity.** Except as otherwise set forth in the Development Agreement, Tenant will procure all electricity for the Premises from the San Francisco Public Utilities Commission at rates to be determined by the San Francisco Public Utilities Commission. If the San Francisco Public Utilities Commission determines that it cannot feasibly provide service to Tenant or as otherwise set forth in the Development Agreement, Tenant may seek another provider. Nothing herein limits any remedy Tenant may have at law or in equity to recover damages for City utility's failure to deliver utility services hereunder.

**14.3. Energy Consumption.** Tenant acknowledges and agrees that Port has delivered a Disclosure Summary Sheet, Statement of Energy Performance, Data Checklist, and Facility Summary (all as defined in the California Code of Regulations, Title 20, Division 2, Chapter 4, Article 9, Section 1680) for the Premises no less than 24 hours prior to Tenant's execution of this Lease. The Disclosure Summary Sheet is attached as *Schedule 14.3*.

**14.4. Waiver.** Tenant hereby waives any benefits of any applicable Law, including the provisions of California Civil Code Section 1932(1) permitting the termination of this Lease due to any interruption or failure of utility services. The foregoing shall not constitute a waiver by Tenant of any claim it may now or in the future have (or claim to have) against any public utility provider relating to the provision of (or failure to provide) utilities to the Premises.

## **15. DAMAGE OR DESTRUCTION.**

### **15.1. Damage or Destruction.**

(a) **Tenant to Give Notice.** If at any time during the Term, any damage or destruction occurs to all or any portion of the Premises from fire or other casualty (each a "Casualty"), Tenant will promptly give telephonic or written notice (including via electronic mail) thereof to Port generally describing the nature and extent of such Casualty.

(b) **No Effect on Lease.** This Lease will not terminate or be forfeited or be affected in any manner by reason of Casualty, and Tenant, notwithstanding any law or statute present or future (including without limitation, California Civil Code Sections 1932(2) and 1933(4)), waives any and all rights to quit or surrender the Premises or any part thereof, Tenant acknowledging and agreeing that the provisions of this *Article 15* will govern the rights and remedies of the Parties in the event of a Casualty. Tenant expressly agrees that its obligations hereunder, including the payment of any and all Rent and any other sums due hereunder, will continue as though said Premises, the Horizontal Improvements, and/or other Improvements had not been damaged or destroyed and without abatement, suspension, diminution or reduction of any kind; provided, however, Tenant's obligations to construct, or cause Master Developer to construct, the Horizontal Improvements within any specified period may be revised in accordance with Section 9.2 (Damage and Destruction) of the DDA.

(c) **Tenant's Restoration.** In the event of a Casualty, Tenant has no obligation to Restore the Historic Buildings until such Historic Buildings are required to be Rehabilitated in accordance with the procedures set forth in the DDA relating to construction and must be at Tenant's or Master Developer's sole expense; provided, however Tenant will



promptly alleviate any conditions caused by such Casualty that could cause an immediate or imminent threat to the public safety and welfare or damage to the environment, including any demolition or hauling of rubble or debris. Tenant must Restore or cause to be Restored, all Horizontal Improvements damages or affected by the Casualty. All work Tenant is required to perform under this Section must be performed without regard to the amount or availability of insurance proceeds.

(d) Port acknowledges and agrees that, in light of Tenant's obligations under Sections 15.1(b) and 15.1(c), Port has no claim to receive any portion of insurance proceeds received by Tenant from insurance policies required to be carried by Tenant under this Lease on account of any Casualty unless such portion of insurance proceeds relates to Horizontal Improvements that have been Accepted.

## 16. CONDEMNATION.

### 16.1. *General; Notice; Waiver.*

(a) **General.** If, at any time during the Term, there is any Condemnation of all or any part of the Premises, including any of the Improvements, the rights and obligations of the Parties will be determined pursuant to this *Article 16*.

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

(c) **Waiver.** Except as otherwise provided in this *Article 16*, the Parties intend that the provisions of this Lease will govern their respective rights and obligations in the event of a Condemnation. Accordingly, but without limiting any right to terminate this Lease given Tenant in this *Article 16*, Tenant waives any right to terminate this Lease upon the occurrence of a Partial Condemnation under California Code of Civil Procedure Sections 1265.120 and 1265.130, as such section may from time to time be amended, replaced or restated.

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

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

(a) **Substantial Condemnation.** If there is a Substantial Condemnation of a portion of the Premises or the Leasehold Estate, this Lease will terminate, at Tenant's option (which will be exercised, if at all, at any time within ninety (90) days after the Condemnation Date by delivering written notice of termination to Port) as of the Condemnation Date. "Substantial Condemnation" means where Tenant reasonably determines that, because of the Condemnation, it will be infeasible for Master Developer under the DDA to develop all or any remaining Phase (as defined in the DDA) of the Project substantially in conformance with the Project Approvals, due to either economic or physical construction reasons unless Port and Master Developer amend the DDA, each in their sole discretion.

(b) **Partial Condemnation.** If there is a Condemnation of any portion of the Premises or the Leasehold Estate which does not result in a termination of this Lease under *Section 16.2* (Total Condemnation) or *Section 16.3(a)* (Substantial Condemnation) (a "Partial Condemnation"), this Lease will terminate only as to the portion of the Premises taken in such Partial Condemnation, effective as of the Condemnation Date. In the case of a Partial Condemnation, this Lease will remain in full force and effect as to the portion of the Premises (or of the Leasehold Estate) remaining immediately after such Condemnation. Port and Tenant will execute and deliver a partial termination of Lease or such other document as is reasonably necessary to evidence such termination.

**16.4. Awards.** Except as provided in *Sections 16.5* (Temporary Condemnation) and *16.6* (Personal Property) Awards and other payments to either Port or Tenant on account of a Condemnation, less costs, fees and expenses of either Port or Tenant (including, without limitation, reasonable Attorneys' Fees and Costs) incurred in the collection thereof ("Net Awards and Payments") will be allocated between Port and Tenant as follows:

- (a) First, to Port for the payment of all unpaid Rent.
- (b) Second, in the event of a Partial Condemnation, to pay costs of Restoration incurred by Tenant;
- (c) Third, to Port for the value of the condemned land only, subject to the particular uses of the Premises existing immediately prior to the Condemnation Date, and without reference to, or inclusion of, Port's reversionary interest in the value of the Improvements;
- (d) Fourth, to any non-affiliate Mortgagee pursuant to a non-affiliate Mortgage as and to the extent provided therein, for payment of all sums secured by its Mortgage that remain outstanding, together with its reasonable out of pocket expenses and charges in collecting the Net Award and Payment, including without limitation, its reasonable attorneys' fees incurred in the Condemnation;
- (e) Fifth, to Tenant to the extent that the Net Awards and Payments are attributable to Tenant's Leasehold Estate not including the value of the Improvements for the remaining unexpired portion of the Term to the original scheduled Expiration Date;
- (f) Sixth, the balance of the Net Awards and Payment will be divided proportionately between Port, for the value of Port's reversionary interest in the land and Improvements (based on the date the Term would have expired but for the event of Condemnation) and Tenant, for the value of the Horizontal Improvements constructed by Tenant for the remaining unexpired portion of the Term to the original scheduled Expiration Date. Any Net Awards and Payment paid to Tenant in accordance with this Section will be applied as "Land Proceeds" that Port can contribute as an "Advance of Land Proceeds" under Section 7 of the Financing Plan.
- (g) Notwithstanding anything to the contrary set forth above, any portion of the Net Awards and Payments which has been specifically designated by the condemning authority or in the judgment of any court to be payable to Port or Tenant on account of any interest in the Premises or the Improvements separate and apart from the value of Port's reversionary interest in the land and Improvements, the Leasehold Estate, or the value of the Improvements on the Premises for the remaining unexpired portion of the Term of this Lease, will be paid to Port or Tenant, as applicable, as so designated by the condemning authority or judgment. If less than all of the Premises is condemned, and this Lease is terminated, the fair market value of the remaining Premises and Improvements thereon which become the property of Port upon such termination shall be treated for purposes of this Section as received by Port on account of its share of the Award and the cash payment payable to Port shall be reduced by a like amount and instead paid to Tenant.

**16.5. Temporary Condemnation.** If there is a Condemnation of all or any portion of the Premises for a temporary period lasting less than the remaining Term, other than in connection with a Substantial Condemnation or a Partial Condemnation of a portion of the Premises for the remainder of the Term, this Lease will remain in full force and effect, and the entire Award will be payable to Tenant.

**16.6. Personal Property.** Notwithstanding *Section 16.4* (Awards), Port will not be entitled to any portion of any Net Awards and Payments payable in connection with the Condemnation of the Personal Property of Tenant or any of its Subtenants.

**17. LIENS.**

**17.1. Liens.** Tenant will not create or permit the attachment of, and will promptly discharge at no cost to Port, any lien, security interest, or encumbrance on the Premises or the Leasehold Estate, other than (i) this Lease, permitted Subleases, and Permitted Title Exceptions, (ii) liens for non-delinquent Impositions (excluding Impositions which may be separately assessed against the interests of Subtenants or are being contested in accordance with *Article 7* (Contests)), and (iii) Mortgages in accordance with *Article 37* (Mortgages).

**17.2. Mechanics' Liens.** Tenant will keep the Premises and the Leasehold Estate free from any liens arising out of any work performed, materials or services furnished, or obligations incurred by Tenant or any of its Agents. Tenant will provide thirty (30) days' advance written notice to Port of any Construction to allow Port to post a notice of non-responsibility on the Premises. If Tenant does not, within sixty (60) days following the imposition of any such Lien, cause the same to be released of record or post a bond or take such other action reasonably acceptable to Port, it will constitute an Event of Default, and Port will have, in addition to all other remedies provided by this Lease or by Law, the right but not the obligation to cause the same to be released by such means as it deems proper, including payment of the claim giving rise to such lien. All sums paid by Port (including interest at the Default Rate computed from the date of payment) for such purpose and all expenses incurred by Port in connection therewith must be reimbursed to Port by Tenant within ten (10) days following demand by Port. Port will include with its demand, supporting documentation.

**18. ASSIGNMENT AND SUBLETTING.**

**18.1. Transfers.** Tenant will have the right to Transfer without obtaining Port's consent its entire interest in this Lease to the proposed Transferee in connection with a Transfer of the Master Developer's rights under the DDA pursuant to *Article 6* of the DDA. Except in connection with a Transfer under the DDA, no other Transfer of Tenant's interest is permitted.

**18.2. No Release of Tenant's Existing Liability or Waiver by Virtue of Consent.** The effectiveness of a Transfer hereunder is not in any way to be construed to relieve Tenant of any liability arising out of or with regard to the performance of any covenants or obligations to be performed by Tenant hereunder before the date of such Transfer. From and after a Transfer, the transferor will be released from all obligations and liability under this Lease only to the extent that the transferor, as Master Developer, is released from its obligations under the DDA.

**18.3. Sublease.** Tenant has the right to Sublease portions of the Premises for parking and the Ancillary Permitted Uses without Port's prior consent so long all of the following conditions are satisfied (each a "Pre-Approved Sublease"):

(a) The Sublease will not adversely and materially impact construction of the Horizontal Improvements or the Vertical Improvements; and

(b) The Sublease (and any further sub-subleases of the Sublease space) are all subject to the terms and conditions of this Lease, provided that the Subtenant need not be obligated to undertake any obligations with respect to the Subleased Space that is Tenant's obligation under such Sublease; and

- (c) The term of the Sublease does not extend beyond the Term of this Lease;
- (d) The Sublease contains an Indemnification and waiver of claims provision benefitting Port that is substantially and materially the same as *Article 19* (Indemnification of Port) except that the term "Tenant" in such provision means "Subtenant;" and
- (e) The Sublease requires that under all liability and other insurance policies, "THE CITY AND COUNTY OF SAN FRANCISCO, THE SAN FRANCISCO PORT COMMISSION AND THEIR OFFICERS, AGENTS, EMPLOYEES AND REPRESENTATIVES" are additional insureds by written endorsement and acknowledging Port's rights to demand increased coverage to normal amounts consistent with the Subtenant's business activities on the Premises; and
- (f) Subject to the rights of any Mortgagee, the Sublease requires Subtenant to pay the Sublease rent and other sums due under the Sublease directly to Port upon receiving written notice from Port that an Event of Default has occurred; and
- (g) The Sublease requires the Subtenant to expressly waive entitlement to any and all relocation assistance and benefits in connection with this Lease; and
- (h) The Sublease contains a provision similar to *Article 36* (Inspection of Premises by Port) requiring Subtenant to permit Port to enter its Subleased space for the purposes specified in *Article 36*; and
- (i) The Sublease contains a provision similar to *Section 30.1* (Tenant Estoppel) requiring Subtenant, from time to time, to provide Port an estoppel certificate substantially similar to the form attached hereto as *Exhibit J*; and
- (j) The Sublease requires Subtenant to comply with the Special Provisions set forth in *Article 41* (Special Provisions); and
- (k) The Sublease contains a provision that if for any reason whatsoever this Lease is terminated, the Sublease will be automatically terminated

**18.4. Acknowledgements.** Tenant acknowledges and agrees that Port's rights with respect to Transfers are reasonable limitations for purposes of California Civil Code Section 1951.4 and waives any claims arising from Port's actions under this *Article 18*.

**18.5. Mortgaging of Leasehold.** Notwithstanding anything herein to the contrary, at any time during the Term, Tenant has the right, without Port's consent, to sell, assign, encumber, or transfer its interest in this Lease to a Mortgagee in connection with the exercise of remedies under the provisions of a Mortgage subject to the limitations, rights and conditions set forth in *Article 37* (Mortgages), and, in the event so assigned, the Lease may be further assigned with notice to, but without the consent of, Port.

**18.6. Assignment of Rents.** Tenant hereby assigns to Port all rents and other payments of any kind, due or to become due from any or present or future Subtenant as security for Tenant's obligations hereunder prior to actual receipt thereof by Tenant; provided, however, the foregoing assignment shall be subject and subordinate to any assignment made to a Mortgagee under *Article 37* (Mortgages) until such time as Port has terminated this Lease (subject to the Port's agreement to enter into a new lease with Mortgagee and all other provisions of this Lease protecting Mortgagee's interests in this Lease), at which time the rights of Port in all rents and other payments assigned pursuant to this *Section 18.6* will become prior and superior in right; provided, further, any rents collected by any Mortgagee from any Subtenants pursuant to any assignment of rents or subleases made in its favor will promptly remit to Port the rents so collected (less the actual cost of collection) to the extent necessary to pay Port any Rent, including any and all Additional Rent, through the date of termination of this Lease.

**18.7. No Release of Tenant.** The acceptance by Port of Rent or other payment from any other person will not be deemed to be a waiver by Port of any provision of this Lease or to be a release of Tenant from any obligation under this Lease. No Transfer or Sublease will in any

way diminish, impair or release any of the liabilities and obligations of Tenant, any guarantor or any other person liable for all or any portion of Tenant's obligations under this Lease except as otherwise provided in *Section 18.2* (Limitation on Liability).

## **19. INDEMNIFICATION OF PORT.**

**19.1. General Indemnification of the Indemnified Parties.** Subject to *Section 19.4* (Exclusions from Indemnifications, Waivers and Releases), Tenant agrees to and will Indemnify the Indemnified Parties from and against any and all Losses imposed upon or incurred by or asserted against any such Indemnified Parties in connection with the occurrence or existence of any of the following:

(a) any accident, injury to or death of Persons, or loss or destruction of or damage to property occurring in, on, under, around, or about the Premises or any part thereof and which may be directly or indirectly caused by any acts done in, on, under, or about the Premises, or any acts or omissions of Tenant, its Agents, Subtenants, or Invitees, or their respective Agents and Invitees;

(b) any use, non-use, possession, occupation, operation, maintenance, management, or condition of the Premises or any part thereof by Tenant, its Agents, Subtenants, or Invitees, or their respective Agents and Invitees;

(c) any latent, design, construction or structural defect relating to the Improvements, any other Subsequent Construction, or any other matters relating to the condition of the Premises caused directly or indirectly by Tenant or any of its Agents, Invitees, or Subtenants;

(d) any failure on the part of Tenant or its Agents, Invitees, or Subtenants, as applicable, to perform or comply with any of the terms, covenants, or conditions of this Lease or with applicable Laws;

(e) performance of any labor or services or the furnishing of any materials or other property in respect of the Premises or any part thereof by Tenant or any of its Agents or Subtenants;

(f) any acts, omissions, or negligence of Tenant, its Agents, Invitees, or Subtenants; and

(g) any civil rights actions or other legal actions or suits initiated by any user or occupant of the Premises to the extent it relates to such use or occupancy.

## **19.2. Hazardous Materials Indemnification.**

(a) In addition to its obligations under *Section 19.1* (General Indemnification of the Indemnified Parties) and subject to *Section 19.4* (Exclusions from Indemnifications, Waivers and Releases), Tenant, for itself and on behalf of its Subtenants, Agents, or any of their respective Agents (individually "Related Third Party" and collectively "Related Third Parties") or their respective Invitees agrees to Indemnify the Indemnified Parties and the State Lands Indemnified Parties from any and all Losses and Hazardous Materials Claims that arise as a result of any of the following:

(i) any Hazardous Material Condition existing or occurring during the Term;

(ii) any Handling or Release of Hazardous Materials in, on, under, around or about the Premises during the Term;

(iii) any Exacerbation of any Hazardous Material Condition in, on, under, around or about the Premises during the Term; or

(iv) failure by Tenant or any Related Third Party to comply with the Pier 70 Risk Management Plan, or failure by their respective Invitees to comply with the Pier 70 Risk Management Plan within the Premises during the Term; or

(v) claims by Tenant or any Related Third Party for exposure during the Term from and after the Commencement Date to Pre-Existing Hazardous Materials or New Hazardous Materials in, on, under, around, or about the 28-Acre Site.

(b) Losses under *Section 19.2(a)* includes: (i) actual 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 the Release; (ii) actual damages for diminution in the value of the Premises or the Property; (iii) actual damages for the loss or restriction on use of rentable or usable space or of any amenity of the Premises; (iv) actual damages arising from any adverse impact on marketing the space; (v) sums actually paid in settlement of Claims, Hazardous Materials Claims, Environmental Regulatory Actions, including fines and penalties; (vi) actual natural resource damages; and (vii) Attorneys' Fees and Costs, consultant fees, expert fees, court costs, and all other actual litigation, administrative or other judicial or quasi-judicial proceeding expenses. If Port actually incurs any damage and/or pays any costs within the scope of this section, Tenant must reimburse Port for Port's costs, plus interest at the Default Rate from the date of demand until paid, within five (5) business days after receipt of Port's payment demand and reasonable supporting evidence of the cost or damage actually incurred.

(c) Tenant understands and agrees that its liability to the Indemnified Parties and the State Lands Indemnified Parties under this *Section 19.2*, subject to *Section 19.4* (Exclusions from Indemnifications, Waivers and Releases), arises upon the earlier to occur of:

(i) discovery of any such Hazardous Materials (other than Pre-Existing Hazardous Materials) in, on, under, around, or about the Premises;

(ii) the Handling or Release of Hazardous Materials in, on, under, around or about the Premises;

(iii) the Exacerbation of any Hazardous Material Condition; or

(iv) the institution of any Hazardous Materials Claim with respect to such Hazardous Materials, and not upon the realization of loss or damage.

**19.3. Scope of Indemnities; Obligation to Defend.** Except as otherwise provided in *Section 19.4* (Exclusions from Indemnifications; Waivers and Releases), Tenant's Indemnification obligations under this Lease are enforceable regardless of the 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. Tenant specifically acknowledges that it has an immediate and independent obligation to defend the Indemnified Parties from any Loss that actually or potentially falls within the Indemnification obligations of Tenant, even if such allegations are or may be groundless, false, or fraudulent, which arises at the time such claim is tendered to Tenant and continues at all times thereafter until finally resolved. Tenant's Indemnification obligations under this Lease are in addition to, and in no way will be construed to limit or replace, any other obligations or liabilities which Tenant may have to Port in this Lease, at common law or otherwise. All Losses incurred by the Indemnified Parties subject to Indemnification by Tenant constitute Additional Rent owing from Tenant to Port hereunder and are due and payable from time to time immediately upon Port's request, as incurred.

**19.4. Exclusions from Indemnifications; Waivers and Releases.**

(a) Nothing in this *Article 19* (Indemnification of Port) relieves the Indemnified Parties or the State Lands Indemnified Parties from liability, nor will the Indemnities set forth in *Sections 19.1* (General Indemnification of Indemnified Parties), *19.2*

(Hazardous Materials Indemnification),), or the defense obligations set forth in *Sections 19.3* (Scope of Indemnities) and *19.6* (Defense) extend to Losses:

(i) to the extent caused by the gross negligence or willful misconduct of the Indemnified Parties, or

(ii) from third parties' claims for exposure to Hazardous Materials in, on or under any portion of the Premises prior to the earlier of the (1) commencement of the License, if any, executed under the DDA for access to such portion of the Premises prior to the effective date of this Lease where Tenant has exclusive control of the Premises; or (2) effective date of this Lease with respect to such portion of the Premises; or

(iii) without limiting Tenant's Indemnification obligations under *Sections 19.2(a)(ii), 19.2(a)(iv), or 19.2(a)(v)*, and to the extent the applicable Loss was not caused by the failure of Tenant or a Related Third Party to comply with the Pier 70 Risk Management Plan, or the failure of their respective Invitees to comply with the Pier 70 Risk Management Plan while on the Premises, claims from third parties (who are not Related Third Parties) arising from exposure to Pre-Existing Hazardous Materials on, about or under the Horizontal Improvement Parcels after the Acceptance Date for such parcel (or exposure after the Acceptance Date to a New Hazardous Material discovered after the Acceptance Date, the presence of which is limited to the Horizontal Improvement Parcel and is not also present in, on or around the Premises); provided, however, the foregoing limitation on Tenant's Indemnification obligations does not extend to claims arising from the Handling, Release or Exacerbation of Pre-Existing Hazardous Materials by the acts or omissions of Tenant or any of its Related Third Parties.

(b) If it is reasonable for an Indemnified Party or a State Lands Indemnified Party to assert that a claim for Indemnification under *Section 19.2* (Hazardous Materials Indemnification) is covered by a pollution liability insurance policy, pursuant to which such Indemnified Party or State Lands Indemnified Party is an insured party or a potential claimant, then Port will reasonably cooperate with Tenant in asserting a claim or claims under such insurance policy but without waiving any of its rights under *Section 19.2* (Hazardous Materials Indemnification). Notwithstanding the foregoing, if an Indemnified Party or State Lands Indemnified Party is a named insured on a pollution liability insurance policy obtained by Tenant, the Indemnification from Tenant under *Section 19.2* (Hazardous Materials Indemnification) will not be effective unless such Indemnified Party or State Lands Indemnified Party has asserted and diligently pursued a claim for insurance under such policy and until any limits from the policy are exhausted, on condition that (i) Tenant pays any self-insured retention amount required under the policy, and (ii) nothing in this sentence requires any Indemnified Party or State Lands Indemnified Party to pursue a claim for insurance through litigation prior to seeking indemnification from Tenant.

**19.5. Survival.** Tenant's Indemnification obligations under this Lease and the provisions of this *Article 19* (Indemnification of Port) survive the expiration or earlier termination of this Lease (or, the partial termination of this Lease with respect to any portion of the Premises released in accordance with *Section 1.1(b)* Adjustment of Premises for Development)).

**19.6. Defense.** Tenant will, at its option but subject to reasonable approval by Port, be entitled to control the defense, compromise or settlement of any such matter through counsel of Tenant's choice; provided, that in all cases Port will be entitled to participate in such defense, compromise or settlement at its own expense. If Tenant fails, however, in Port's reasonable judgment, within a reasonable time following notice from Port alleging such failure, to take reasonable and appropriate action to defend, compromise or settle such suit or claim, Port will have the right promptly to use the City Attorney or hire outside counsel, at Tenant's sole cost, to carry out such defense, compromise or settlement which expense is due and payable to the Port within fifteen (15) days after receipt by Tenant of a detailed invoice for such expense.

19.7. *Waiver.* As a material part of the consideration of this Lease, Tenant hereby assumes the risk of, and waives, discharges, and releases any and all claims against the Indemnified Parties from any Losses, including (i) damages by death of or injury to any Person, or to property of any kind whatsoever and to whomever belonging, (ii) goodwill, (iii) business opportunities, (iv) any act or omission of Persons occupying adjoining premises, (v) theft, (vi) explosion, fire, steam, oil, electricity, water, gas, rain, pollution, or contamination, (vii) Building defects, (viii) inability to use all or any portion of the Premises due to sea level rise or flooding or seismic events, (ix) arising from the interference with the comfortable enjoyment of life or property arising out of the existence of the Pier 70 Shipyard, and (x) any other acts, omissions or causes arising at any time and from any cause, in, on, under, or about the Premises or the 28-Acre Site, including all claims arising from the joint, concurrent, active or passive negligence of any of Indemnified Parties. The foregoing waiver, discharge and release does not include Losses arising from the Indemnified Parties' willful misconduct or gross negligence.

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

Tenant understands and expressly accepts and assumes the risk that any facts concerning the claims released in this Lease might be found later to be other than or different from the facts now believed to be true, and agrees that the waivers and releases in this Lease will remain effective. Therefore, with respect to the claims released in this Lease, Tenant waives any rights or benefits provided by California Civil Code Section 1542, 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. BY PLACING ITS INITIALS BELOW, TENANT SPECIFICALLY ACKNOWLEDGES AND CONFIRMS THE VALIDITY OF THE WAIVERS AND RELEASES MADE ABOVE AND THE FACT THAT TENANT WAS REPRESENTED BY COUNSEL WHO EXPLAINED THE CONSEQUENCES OF THE WAIVERS AND RELEASES AT THE TIME THIS LEASE WAS MADE, OR THAT TENANT HAD THE OPPORTUNITY TO CONSULT WITH COUNSEL, BUT DECLINED TO DO SO.

Tenant's Initials: \_\_\_\_\_

Tenant acknowledges that the waivers and releases contained herein include all known and unknown, disclosed and undisclosed, and anticipated and unanticipated claims for consequential, incidental or punitive damages. Tenant realizes and acknowledges that it has agreed upon this Lease in light of this realization and, being fully aware of this situation, it



**19.7. Waiver.** As a material part of the consideration of this Lease, Tenant hereby assumes the risk of, and waives, discharges, and releases any and all claims against the Indemnified Parties from any Losses, including (i) damages by death of or injury to any Person, or to property of any kind whatsoever and to whomever belonging, (ii) goodwill, (iii) business opportunities, (iv) any act or omission of Persons occupying adjoining premises, (v) theft, (vi) explosion, fire, steam, oil, electricity, water, gas, rain, pollution, or contamination, (vii) Building defects, (viii) inability to use all or any portion of the Premises due to sea level rise or flooding or seismic events, (ix) arising from the interference with the comfortable enjoyment of life or property arising out of the existence of the Pier 70 Shipyard, and (x) any other acts, omissions or causes arising at any time and from any cause, in, on, under, or about the Premises or the 28-Acre Site, including all claims arising from the joint, concurrent, active or passive negligence of any of Indemnified Parties. The foregoing waiver, discharge and release does not include Losses arising from the Indemnified Parties' willful misconduct or gross negligence.

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

Tenant understands and expressly accepts and assumes the risk that any facts concerning the claims released in this Lease might be found later to be other than or different from the facts now believed to be true, and agrees that the waivers and releases in this Lease will remain effective. Therefore, with respect to the claims released in this Lease, Tenant waives any rights or benefits provided by California Civil Code Section 1542, 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. BY PLACING ITS INITIALS BELOW, TENANT SPECIFICALLY ACKNOWLEDGES AND CONFIRMS THE VALIDITY OF THE WAIVERS AND RELEASES MADE ABOVE AND THE FACT THAT TENANT WAS REPRESENTED BY COUNSEL WHO EXPLAINED THE CONSEQUENCES OF THE WAIVERS AND RELEASES AT THE TIME THIS LEASE WAS MADE, OR THAT TENANT HAD THE OPPORTUNITY TO CONSULT WITH COUNSEL, BUT DECLINED TO DO SO.

Tenant's Initials:                     

Tenant acknowledges that the waivers and releases contained herein include all known and unknown, disclosed and undisclosed, and anticipated and unanticipated claims for consequential, incidental or punitive damages. Tenant realizes and acknowledges that it has agreed upon this Lease in light of this realization and, being fully aware of this situation, it

nevertheless intends to waive the benefit of Civil Code Section 1542, or any statute or other similar law now or later in effect.

**20. INSURANCE.**

**20.1. Required Insurance Coverage.** In addition to the Additional Insurance Requirements to be provided by Tenant or Tenant's Subtenants or Agents that conduct any Special Event under *Exhibit H* (Procedures for Special Events), Tenant, at its sole cost and expense, shall maintain, or cause to be maintained, throughout the Term, the following insurance:

(a) **General Liability Insurance.** Comprehensive or commercial general liability insurance, with limits not less than Twenty Million Dollars (\$20,000,000.00) each occurrence combined single limit for bodily injury and property damage, including coverages for contractual liability, liquor liability, independent contractors, broad form property damage, personal injury, products and completed operations, fire damage and legal liability with limits not less than Two Hundred Fifty Thousand Dollars (\$250,000.00) and explosion, collapse and underground (XCU) coverage during any period in which Tenant is conducting any activity on or Subsequent Construction or Improvement to the Premises with risk of explosion, collapse, or underground hazards. This policy must also cover non-owned and for-hire vehicles and all mobile equipment or unlicensed vehicles, such as forklifts.

(b) **Automobile Liability Insurance.** Comprehensive or business automobile liability insurance with limits not less than Five Million Dollars (\$5,000,000.00) each occurrence combined single limit for bodily injury and property damage, including coverages for owned and hired vehicles and for employer's non-ownership liability, which insurance shall be required if any automobiles or any other motor vehicles are operated in connection with Tenant's activity on the Premises or the Permitted Use. If parking is a Permitted Use under this Lease, Tenant must obtain, maintain, and provide to Port upon request evidence of personal automobile liability insurance for persons parking vehicles at the Premises on a regular basis, including without limitation Tenant's Agents and Invitees.

(c) **Worker's Compensation; Employer's Liability; Jones Act; U.S. Longshore and Harborworker's Act Insurance.** Worker's Compensation in statutory amounts, with Employer's Liability limit not less than One Million Dollars (\$1,000,000.00) for each accident, injury, or illness. In the event Tenant is self-insured for the insurance required pursuant to this *Section 20.1(c)*, it shall furnish to Port a current Certificate of Permission to Self-Insure signed by the Department of Industrial Relations, Administration of Self-Insurance, Sacramento, California. In addition, Tenant will be required to maintain insurance for claims under the Jones Act or U.S. Longshore and Harborworker's Act, respectively as applicable with Employer's Liability limit not less than Five Million Dollars (\$5,000,000.00) for each accident, injury or illness, on employees eligible for each.

(d) **Personal Property Insurance.** Tenant, at its sole cost and expense, shall procure and maintain on all of its personal property and Subsequent Construction, in, on, or about the Premises, 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 Tenant for the replacement of Tenant's personal property or contractors' equipment as applicable.

(e) **Flood Insurance.**

(i) During construction of the improvements, for any parcel located within a flood zone on the City's flood maps, flood insurance will be in an amount equal to the maximum amount of full replacement cost of the improvements with a deductible not to exceed ten percent (10%) except that a greater deductible will be permitted to the extent that flood coverage is not available from recognized carriers or through the NFIP at commercially reasonable rates.

(ii) During construction of the improvements, for any parcel not located within a flood zone on the City's flood maps, flood insurance will be in an amount to the extent available at commercially reasonable rates from recognized insurance carriers or through the NFIP equal to the maximum amount of full replacement cost of the improvements with a deductible not to exceed ten percent (10%) except that a greater deductible will be permitted to the extent that flood coverage is not available from recognized carriers or through the NFIP at commercially reasonable rates

(f) **Pollution Legal Liability.** Tenant, at its sole cost and expense, will procure Pollution Legal Liability insurance with limits of not less than Five Million Dollars (\$5,000,000.00) per claim, for a period of not less than five (5) years, and a subsequent policy for an additional five (5) years, for a total term of ten (10) years. Each of the State Lands Indemnified Parties will be named as additional insureds under the terms of any such policy. If Tenant procures any such policy for a period that is longer than ten (10) years, Tenant will ensure that each of THE CITY AND COUNTY OF SAN FRANCISCO, THE PORT OF SAN FRANCISCO AND THEIR OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS AND THE STATE LANDS INDEMNIFIED PARTIES are named as additional insureds for such longer period of time.

(g) **Construction Activities.** Insurance required in connection with construction of Horizontal Improvements is as set forth below:

(i) **Contractor Requirements.** Tenant must require its contractors and subcontractors to maintain the following coverages:

(1) Commercial general liability insurance with limits of not less than \$5 million each occurrence on a policy form that is at least as broad as Insurance Services Office (ISO) Commercial General Liability coverage (occurrence Form CG 00 01);

(2) Comprehensive automobile liability insurance with a policy limit of not less than \$5 million each occurrence on a policy form that is at least as broad as ISO Form Number CA 0001 covering automobile liability, Code 1 (any auto);

(3) Worker's compensation insurance with statutory limits and employer's liability insurance with limits of not less than \$1 million each accident, injury, or illness;

(4) Watercraft liability insurance (if operating watercraft) protection and indemnity insurance with limits not less than \$1 million each occurrence, or with Port approval, lesser limits and deductible as are readily available in the insurance market at a commercially reasonable cost, wreck removal, and damages "In Rem" (the vessel); and

(5) Marine general liability (MGL) (if operating watercraft) with limits not less than \$10 million each occurrence and aggregate basis;

(6) Vessel pollution liability insurance (if operating watercraft with engines or fuel usage) with limits not less than \$5 million per occurrence and \$5 million in the aggregate with a deductible not to exceed \$50,000 with Port approval, lesser limits and deductible as are readily available in the insurance market at a commercially reasonable cost; insurance should cover liability imposed under laws 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 on the navigable waters of the United States or the adjoining shorelines.

(7) Contractor's pollution liability insurance with limits of not less than Five Million Dollars (\$5,000,000.00) per claim.

(ii) Builder's Risk Requirements. In addition, Tenant or General Contractor must carry "Builder's All Risk" insurance on a "Special Form" ("All Risk") Builder's Risk meeting the following requirements.

(1) The amount of coverage must be equal to the full replacement cost of any existing structures affected by the work and full replacement cost of all new construction, including all materials and equipment intended to become part of the permanent structures. The policy must provide coverage for "soft costs," such as design and engineering fees, code updates, permits, bonds, insurance, and inspection costs caused by an insured peril. The Builder's Risk insurance may have a deductible clause not to exceed \$100,000.

(2) The Builder's Risk policy must identify the City and County of San Francisco and the San Francisco Port Commission as loss payees, subordinate to any lender requirements.

(3) The Builder's Risk policy must include the following coverages: (A) all damages of loss to the work and to appurtenances, to materials and equipment to be incorporated into the project while the same are in transit, stored on or off the site, to construction plant and temporary structures; (B) the costs of debris removal, including demolition as may be made reasonably necessary by covered perils, resulting damage, and any applicable law; and (C) start up and testing and machinery breakdown including electrical arcing.

(iii) Professional Services Requirements. Tenant must require all providers of engineering and geotechnical professional services under contract with Tenant to provide professional liability coverage with limits not less than Five Million Dollars (\$5,000,000.00) each claim. With respect to all other professional services provided to Tenant for the Horizontal Improvements, Tenant must require all providers of such professional services under contract with Tenant to provide professional liability coverage with limits not less than Two Million Dollars (\$2,000,000.00) each claim. Such insurance will provide coverage during the period when such professional services are performed and for a period of 3 years after issuance of a Certificate of Occupancy for the Horizontal Improvements. This requirement may be met by the use of an extended reporting period. Notwithstanding anything to the contrary, the coverage required in this clause (iii) may be provided with a lower limit for subcontractors that are local business enterprises (LBEs) or are performing work under subcontracts of \$100,000 or less only. Tenant shall have the right to request a waiver of the requirements of this clause (iii) by delivering written request to Port, and Port shall respond within a reasonable period of time to any such request; provided, with respect to waiver requests for LBEs and subcontracts only, so long as the waiver request was sent by electronic mail, addressed to one or more line staff responsible for administration of this Lease stating in the subject line "Immediate Action Required to Avoid Deemed Consent" or words to the same effect, Port will be deemed to have approved such waiver if Port does not respond to the waiver request within five (5) business days.

(h) Other Coverage. Such other insurance or different coverage amounts may change from time to time as required by the City's Risk Manager, if in the reasonable judgement of the City's Risk Manager it is the general commercial practice in San Francisco to carry such insurance and/or in the requested insurance limits for the subject activities taking into consideration the risks associated with such uses of the Premises, so long as any insurance required is available from recognized carriers at commercially reasonable rates. If Tenant determines that such other insurance or coverage amount should not be required because it is not available from recognized carries at commercially reasonable rates, then Tenant will provide to Port evidence supporting Tenant's determination of commercial unreasonableness as to the applicable coverage. Such evidence may include quotes, declinations, and notices of cancellation or non-renewal from leading insurance companies for the required coverage, percentage of overall operating expenses attributable thereto, and then current industry practice for comparable mixed-use/retail/office projects in San Francisco.

(i) **Substitution.** Notwithstanding the foregoing, Tenant shall have the right, upon the prior approval of Port, not to be unreasonably withheld, to substitute any of the insurance coverage required in this *Article 20* (Insurance) with insurance coverage maintained by one or more of Tenant's Agents, Invitees or transferees as long as the insurance policies, certificates and endorsements for such insurance coverage comply in all respects with the requirements of this *Article 20* as determined by Port.

**20.2. General Requirements.**

(a) **Insurance provided for pursuant to this Section:**

(i) Shall be carried under a valid and enforceable policy or policies issued by insurers of recognized responsibility that are rated Best A—:VIII or better by the latest edition of Best's Key Rating Guide (or a comparable successor rating) and legally authorized to sell such insurance within the State of California;

(ii) As to property insurance required hereunder, such insurance shall name the Tenant as the first named insured. As to liability insurance Tenant shall ensure that Port and the City of San Francisco are named as additional insureds under all general liability, automobile liability, vessel pollution, pollution, Public Boat Dock liability coverages. Any umbrella and/or excess liability insurance will include an endorsement through a blanket additional endorsement or equivalent naming as additional insureds the following: "**THE CITY AND COUNTY OF SAN FRANCISCO, THE PORT OF SAN FRANCISCO AND THEIR OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS.**"

(iii) As to Commercial General Liability and automobile liability insurance, shall provide that it constitutes primary insurance with respect to claims insured by such policy, and, except with respect to limits, that insurance applies separately to each insured against whom claim is made or suit is brought;

(iv) Will provide for waivers of any right of subrogation that the insurer of such party may acquire against each party hereto with respect to any losses and damages that are of the type covered under the policies required by *Sections 20.1(a)* (General Liability Insurance), *20.1(b)* (Automobile Liability Insurance), *20.1(c)* (Worker's Compensation),, and *20.1(f)* (Pollution Legal Liability);

(v) Will be subject to the reasonable approval of Port, which approval shall not be unreasonably withheld.

(b) **Certificates of Insurance; Right of Port to Maintain Insurance.**

Tenant shall furnish Port certificates with respect to the policies required under this Section within thirty (30) days after the Commencement Date and, with respect to renewal policies, within thirty (30) days after the policy renewal date of each such policy, and, within sixty (60) days after Port's request, shall also provide Port with copies of each such policy, or shall otherwise make such policy available to Port for its review. If at any time Tenant fails to maintain the insurance required pursuant to *Section 20.1*, (Required Insurance Coverage), or fails to deliver certificates as required pursuant to this Section, then, upon thirty (30) business days' written notice to Tenant, Port may obtain and cause to be maintained in effect such insurance by taking out policies with companies satisfactory to Port. Within thirty (30) business days following demand, Tenant shall reimburse Port for all amounts so paid by Port, together with all costs and expenses in connection therewith and interest thereon at the Default Rate.

(c) **Insurance of Others.** To the extent Tenant requires liability insurance policies to be maintained by Subtenants, contractors, subcontractors or others in connection with their use or occupancy of, or their activities on, the Premises, Tenant shall require that such policies be endorsed to include the "**CITY AND COUNTY OF SAN FRANCISCO AND THE PORT OF SAN FRANCISCO AND THEIR OFFICERS, AGENTS, EMPLOYEES AND REPRESENTATIVES**" as additional insureds under the terms of any such policy. Unless

otherwise specified in this agreement, Tenant will ensure that all contractors and sub-contractors performing work on the Premises and all operators and subtenants of any portion of the Premises carry adequate insurance coverages.

(d) **Excess Coverage.** All requirements may be satisfied by any combination of umbrella and excess liability policies (including blanket policies).

**20.3. Release and Waiver.** Each Party hereby waives all rights of recovery and causes of action, and releases each other Party from any liability, losses and damages occasioned to the property of each such Party, which losses and damages are of the type covered under the property policies required by *Sections 20.1(d)* (Personal Property Insurance) to the extent that such loss is reimbursed by an insurer.

## **21. HAZARDOUS MATERIALS.**

**21.1. Compliance with Environmental Laws.** Tenant will comply and cause its Agents, Invitees, and all Persons under any Sublease, to comply with all Environmental Laws, operations plans (if any), the Pier 70 Risk Management Plan, and prudent business practices, including, without limitation, any deed restrictions, regulatory agreements, deed notices, soils management plans or certification reports required in connection with the approvals of any regulatory agencies in connection with the Project. Without limiting the generality of the foregoing, Tenant covenants and agrees that it will not, without the prior written consent of Port, which consent will not be unreasonably delayed or withheld, Handle, nor permit the Handling of Hazardous Materials on, under or about the Premises, except for (a) standard building materials and equipment that do not contain asbestos or asbestos-containing materials, lead or polychlorinated biphenyl (PCBs), (b) any Hazardous Materials which do not require a permit or license from, or that need not be reported to, a governmental agency and are used in compliance with all applicable Laws and any reasonable conditions or limitations required by Port, (c) janitorial or office supplies or materials in such amounts as are customarily used for general office, residential or commercial purposes so long as such Handling is at all times in compliance with all Environmental Laws, and (d) Pre-Existing Hazardous Materials that are Handled for Remediation purposes under the jurisdiction of an Environmental Regulatory Agency.

**21.2. Tenant Responsibility.** Tenant agrees to protect its Agents and Invitees in its operations on the Premises from hazards associated with Hazardous Materials by complying with all Environmental Laws and occupational health and safety Laws and also agrees, for itself and on behalf of its Agents and Invitees, that during its use and occupancy of the Premises:

(a) Other than the Pre-Existing Hazardous Materials, will not permit any Hazardous Materials to be present in, on, under or about the Premises except as permitted under *Section 21.1* (Compliance with Environmental Laws);

(b) Will not cause or permit any Hazardous Material Condition; and

(c) Will comply with all Environmental Laws relating to the Premises and any Hazardous Material Condition and any investigation, construction, operations, use or any other activities conducted in, on, or under the Premises, and will not engage in or permit any activity at the Premises, or in the operation of any vehicles used in connection with the Premises in violation of any Environmental Laws;

(d) Tenant will be the "Generator" of any waste, including hazardous waste, resulting from investigation, construction, operations, use or any other activities conducted in, on, or under the Premises;

(e) Will comply with all provisions of the Pier 70 Risk Management Plan with respect to the Premises, at its sole cost and expense, including requirements to notify site users, comply with risk management measures during construction, and inspect, document and report site conditions to Port annually and

(f) Will comply, and will cause all of its Subtenants that are subject to an operations plan, to comply with the operations plan applicable to Tenant or such Subtenant, if any.

**21.3. Tenant's Environmental Condition Notification Requirements.** The following requirements are in addition to the notification requirements specified in the (i) operations plan(s), if any, (ii) the Pier 70 Risk Management Plan, and (iii) Environmental Laws:

(a) Tenant must notify Port as soon as practicable, orally or by other means that will transmit the earliest possible notice to Port staff, of and when Tenant learns or has reason to believe Hazardous Materials were Released or, except as allowed under *Section 21.1* (Compliance with Environmental Laws), Handled, in, on, under, or about the Premises or the environment, or from any vehicles Tenant, or its Agents and Invitees use during the Term or Tenant's occupancy of the Premises, whether or not the Release or Handling is in quantities that would be required under Environmental Laws to be reported to an Environmental Regulatory Agency. In addition to Tenant's notice to Port by oral or other means, Tenant must provide Port written notice of any such Release or Handling within twenty-four (24) hours following such Release or Handling.

(b) Tenant must notify Port as soon as practicable, orally or by other means that will transmit the earliest possible notice to Port staff of Tenant's receipt or knowledge of any of the following, and contemporaneously provide Port with an electronic copy within twenty-four (24) hours following Tenant's receipt of any of the following, of:

(i) Any notice of the Release or Handling of Hazardous Materials, in, on, under, or about the Premises or the environment, or from any vehicles Tenant, or its Agents and Invitees use during Tenant's occupancy of the Premises that Tenant or its Agents or Invitees provide to an Environmental Regulatory Agency;

(ii) Any notice of a violation, or a potential or alleged violation, of any Environmental Law that Tenant or its Agents or Invitees receive from any Environmental Regulatory Agency;

(iii) Any other Environmental Regulatory Action that is instituted or threatened by any Environmental Regulatory Agency against Tenant or its Agents or Invitees and that relates to the Release or Handling of Hazardous Materials, in, on, under, or about the Premises or the environment, or from any vehicles Tenant, or its Agents and Invitees use during the Term or Tenant's occupancy of the Premises;

(iv) Any Hazardous Materials Claim that is instituted or threatened by any third party against Tenant or its Agents or Invitees and that relates to the Release or Handling of Hazardous Materials, in, on, under, or about the Premises or the environment, or from any vehicles Tenant, or its Agents and Invitees use in, on, under or about the Premises during the Term or Tenant's occupancy of the Premises; and

(v) Other than any Environmental Regulatory Approvals issued by the Department of Public Health and the Hazardous Materials Unified Program Agency, any notice of the termination, expiration, or substantial amendment of any Environmental Regulatory Approval needed by Tenant or its Agents or Invitees for their operations at the Premises.

(c) Tenant must notify Port of any meeting, whether conducted face-to-face or telephonically, between Tenant and any Environmental Regulatory Agency regarding an Environmental Regulatory Action concerning the Premises or Tenant's or its Agents' or Invitees' operations at the Premises. Port will be entitled to participate in any such meetings at its sole election.

(d) Tenant must notify Port of any Environmental Regulatory Agency's issuance of an Environmental Regulatory Approval concerning the Premises or Tenant's or its Agents' or Invitees' operations at the Premises. Tenant's notice to Port must state the name of

the issuing entity, the Environmental Regulatory Approval identification number, and the dates of issuance and expiration of the Environmental Regulatory Approval. In addition, Tenant must provide Port with a list of any plan or procedure required to be prepared and/or filed with any Environmental Regulatory Agency for operations on the Premises. Tenant must provide Port with copies of any of the documents within the scope of this *Section 21.3(d)* upon Port's request.

(e) Tenant must provide Port with copies of all non-privileged communications with Environmental Regulatory Agencies, copies of investigation reports conducted by Environmental Regulatory Agencies, and all non-privileged communications with other persons regarding actual Hazardous Materials Claims arising from Tenant's or its Agents' or Invitees' operations at the Premises. At Tenant's request, in lieu of providing Port with copies of non-privileged communications with other persons that are not Environmental Regulatory Agencies, Tenant will (1) make available for Port's review, such non-privileged communications at Tenant's San Francisco office or at Port's office, and (2) reimburse Port for additional costs related to Port's review of such non-privileged communications at Tenant's San Francisco office (including but not limited to additional time related to travel to and from Tenant's office).

(f) Port may from time to time request, and Tenant will be obligated to provide, available information reasonably adequate for Port to determine whether any and all Hazardous Materials are being Handled in a manner that complies with all Environmental Laws.

#### **21.4. Remediation Requirement.**

(a) After notifying Port in accordance with *Section 21.3* (Tenant's Environmental Condition Notification Requirements) and subject to *Section 21.4(d)*, Tenant must Remediate, at its sole cost and in compliance with all Environmental Laws and this Lease, any Hazardous Material Condition occurring during the Term or while Tenant or its Agents or Invitees otherwise occupy any part of the Premises; provided Tenant must take all necessary immediate actions to the extent practicable to address an emergent Release of Hazardous Materials to confine or limit the extent or impact of such Release, and will then provide such notice to Port in accordance with *Section 21.3*. Except as provided in the previous sentence, Tenant must obtain Port's approval, which approval will not be unreasonably withheld, conditioned or delayed, of a Remediation work plan whether or not such plan is required under Environmental Laws, then begin Remediation actions immediately following Port's approval of the work plan and continue diligently until Remediation is complete.

(b) In addition to its obligations under *Section 21.4(a)*, before this Lease terminates for any reason, Tenant must Remediate, at its sole cost and in compliance with all Environmental Laws and this Lease: (i) any Hazardous Material Condition caused by Tenant's or its Agents' or Invitees' Handling of Hazardous Materials during the Term; and (ii) any Hazardous Material Condition discovered during Tenant's occupancy that is required to be Remediated by any Regulatory Agency if Remediation would not have been required but for Tenant's use of the Premises, or due to Subsequent Construction or construction of the Horizontal Improvements.

(c) In all situations relating to Handling or Remediating Hazardous Materials, Tenant must take actions that are reasonably necessary in Port's reasonable judgment to protect the value of the Premises, 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 Premises.

(d) Unless Tenant or its Agents or Invitees Exacerbate the Hazardous Material Condition or Handle or Release Pre-Existing Hazardous Materials in, on, under, around or about the Premises, Tenant will not be obligated to Remediate any Hazardous Material Condition existing before the Commencement Date or the date of Tenant's first use of the Premises, whichever is earlier.



21.5. ***Pesticide Prohibition.*** Tenant will comply with the provisions of Chapter 3 of the San Francisco Environment Code (the “Pesticide Ordinance”) which (i) prohibit the use of certain pesticides on City property, and (ii) require the posting of certain notices and the maintenance of certain records regarding pesticide usage as further described in *Section 9 of Exhibit N* (Port and City Special Provisions) .

21.6. ***Additional Definitions.***

“**Environmental Laws**” means all present and future federal, State and local Laws, statutes, rules, regulations, ordinances, standards, directives, and conditions of approval, all administrative or judicial orders or decrees, and all permits, licenses, approvals, or other entitlements, or rules of common law pertaining to Hazardous Materials (including the Handling, Release, or Remediation thereof), industrial hygiene or environmental conditions in the environment, including structures, soil, air, air quality, water, water quality and groundwater conditions, any environmental mitigation measure adopted under Environmental Laws affecting any portion of the Premises, the protection of the environment, natural resources, wildlife, human health or safety, or employee safety, or community right-to-know requirements related to the work being performed under this Lease. “**Environmental Laws**” include the City’s Pesticide Ordinance (Chapter 39 of the San Francisco Administrative Code), Section 20 of the San Francisco Public Works Code (Analyzing Soils for Hazardous Waste), the FOG Ordinance, the Pier 70 Risk Management Plan and that certain Covenant and Environmental Restrictions on Property made as of August 11, 2016, by the City, acting by and through the Port, for the benefit of the California Regional Water Quality Control Board for the San Francisco Bay Region and recorded in the Official Records as document number 2016-K308328-00.

“**Environmental Regulatory Action**” when used with respect to Hazardous Materials means any inquiry, Investigation, enforcement, Remediation, agreement, order, consent decree, compromise, or other action that is threatened, instituted, filed, or completed by an Environmental Regulatory Agency in relation to a Release of Hazardous Materials, including both administrative and judicial proceedings.

“**Environmental Regulatory Agency**” means the United States Environmental Protection Agency, OSHA, any California Environmental Protection Agency board, department, or office, including the Department of Toxic Substances Control and the RWQCB, Cal-OSHA, the Bay Area Air Quality Management District, the San Francisco Department of Public Health, the San Francisco Fire Department, the SFPUC, Port, or any other Regulatory Agency now or later authorized to regulate Hazardous Materials.

“**Environmental Regulatory Approval**” means any approval, license, registration, permit, or other authorization required or issued by any Environmental Regulatory Agency, including any hazardous waste generator identification numbers relating to operations on the Premises and any closure permit.

“**Exacerbate**” or “**Exacerbating**” when used with respect to Hazardous Materials means any act or omission that increases the quantity or concentration or potential for human exposure 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, it being understood that the mere discovery of Hazardous Materials does not cause “Exacerbation”. Exacerbate also includes the disturbance, removal or generation of Hazardous Materials in the course of Tenant's operations, Investigations, maintenance, repair, construction of Improvements and Alterations under this Lease. “**Exacerbate**” also means failure to comply with the Pier 70 Risk Management Plan. “**Exacerbation**” has a correlative meaning.

“Handle” when used with reference to Hazardous Materials means to use, generate, move, handle, manufacture, process, produce, package, treat, transport, store, emit, discharge or dispose of any Hazardous Material. “Handling” and “Handled” have correlative meanings.

“Hazardous Material” means any material, waste, chemical, compound, substance, mixture, or byproduct that is identified, defined, designated, listed, restricted, or otherwise regulated under Environmental Laws as a “hazardous constituent”, “hazardous substance”, “hazardous waste constituent”, “infectious waste”, “medical waste”, “biohazardous waste”, “extremely hazardous waste”, “pollutant”, “toxic pollutant”, or “contaminant”, or any other designation intended to classify substances by reason of properties that are deleterious to the environment, natural resources, wildlife, or human health or safety, including, without limitation, ignitability, infectiousness, corrosiveness, radioactivity, carcinogenicity, toxicity, and reproductive toxicity. Hazardous Material includes, without limitation, any form of natural gas, petroleum products or any fraction thereof, asbestos, asbestos-containing materials, polychlorinated biphenyls (PCBs), PCB-containing materials, and any substance that, due to its characteristics or interaction with one or more other materials, wastes, chemicals, compounds, substances, mixtures or byproducts, damages or threatens to damage the environment, natural resources, wildlife or human health or safety. “Hazardous Materials” also includes any chemical identified in the Pier 70 Environmental Site Investigation Report, Pier 70 Remedial Action Plan, or Pier 70 Risk Management Plan.

“Hazardous Material Claim” means any Environmental Regulatory Action or any claim made or threatened by any third party against the Indemnified Parties, the State Lands Indemnified Parties, or the Premises relating to damage, contribution, cost recovery compensation, loss or injury resulting from the Release or Exacerbation of any Hazardous Materials, including Losses based in common law. Hazardous Materials Claims include Investigation and Remediation costs, fines, natural resource damages, damages for decrease in value of the Premises or other Port property, the loss or restriction of the use or any amenity of the Premises or other Port property, Attorneys’ Fees and Costs and fees and costs of consultants and experts.

“Hazardous Material Condition” means the Release or Exacerbation, or threatened Release or Exacerbation, of Hazardous Materials in, on, under, or about the Premises or the environment, or from any vehicles Tenant, or its Agents and Invitees use in, on, under, or about the Premises during the Term or Tenant’s occupancy of the Premises.

“Investigate” or “Investigation” when used with reference to Hazardous Material means any activity undertaken to determine the nature and extent of Hazardous Material that may be located in, on, under or about the Premises, any Improvements or any portion of the site or the Improvements or which have been, are being, or threaten to be Released into the environment. Investigation will include preparation of site history reports and sampling and analysis of environmental conditions in, on, under or about the Premises or any Improvements.

“New Hazardous Material” means a Hazardous Material that is not a Pre-Existing Hazardous Material.

“Pier 70 Risk Management Plan” means the Pier 70 Risk Management Plan, Pier 70 Master Plan Area, prepared for the Port of San Francisco by Treadwell & Rolo and dated July 25, 2013, and approved by the RWQCB on January 24, 2014, including any amendments and revisions thereto that are approved by the RWQCB, and as interpreted by Regulatory Agencies with jurisdiction.

“Pre-Existing Hazardous Materials” means any Hazardous Material existing on, in, about or around the Premises as of the Effective Date and identified in the Pier 70 Environmental Site Investigation Report, Pier 70 Remedial Action Plan, or Pier 70 Risk Management Plan.

“Release” means when used with respect to Hazardous Materials any accidental, actual, imminent or intentional spilling, introduction, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing into the air, soil gas, land,

surface water, groundwater, or environment (including the abandonment or discarding of barrels, containers, and other closed receptacles containing any Hazardous Material).

“Remediate” or “Remediation” when used with reference to Hazardous Materials means any activities undertaken to clean up, abate, remove, transport, dispose, contain, treat, stabilize, monitor, remediate, or otherwise control Hazardous Materials located in, on, under or about the Premises or which have been, are being, or threaten to be Released into the environment 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 includes, without limitation, those actions included within the definition of “remedy” or “remedial action” in California Health and Safety Code Section 25322 and “remove” or “removal” in California Health and Safety Code Section 25323.

“State Lands Indemnified Parties” means the State of California, the California State Lands Commission, and all of their respective heirs, legal representatives, successors and assigns, and all other Persons acting on their behalf.

## **22. PORT’S RIGHT TO PAY SUMS OWED BY TENANT.**

### **22.1. *Port May Pay Sums Owed by Tenant Following Tenant’s Failure to Pay.***

Without limiting any other provision of this Lease, and in addition to any other rights or remedies available to Port for any Event of Default, if at any time Tenant fails to pay any sum required to be paid by Tenant pursuant to this Lease to any Person other than Port (other than any Imposition, mechanics’ lien or encumbrance with respect to which the provisions of *Articles 6* (Taxes and Assessments) and *7* (Contests) apply, or any other sum required to be paid by Tenant which Tenant is contesting in good faith and with due diligence and which would not become a lien on the Property), Port may, at its sole option, but will not be obligated to, upon ten (10) days prior notice to Tenant, pay such sum for and on behalf of Tenant.

**22.2. *Tenant’s Obligation to Reimburse Port.*** If pursuant to *Section 22.1*, (Port May Pay Sums Owed by Tenant Following Tenant’s Failure to Pay), Port pays any sum required to be paid by Tenant hereunder, Tenant will reimburse Port as Additional Rent, the sum so paid. All such sums paid by Port are due from Tenant to Port at the time the sum is paid, and if paid by Tenant at a later date, will bear interest at the lesser of the Default Rate or the maximum non-usurious rate Port is permitted by Law to charge from the date such sum is paid by Port until Port is reimbursed in full by Tenant. Port’s rights under this *Article 22* are in addition to its rights under any other provision of this Lease or under applicable Laws. The provisions of this *Section 22.2* will survive the expiration or earlier termination of this Lease.

## **23. EVENTS OF DEFAULT.**

**23.1. *Events of Default.*** Subject to the provisions of *Section 23.2* (Special Provisions Concerning Mortgagees and Events of Default) the occurrence of any one or more of the following events which remain uncured after the passage of time set forth pursuant to this *Article 23* shall constitute an “Event of Default” under the terms of this Lease:

(a) Tenant fails to pay any Rent or Imposition when due, which failure continues for five (5) business days following written notice from Port; provided, however, Port will not be required to give such notice on more than two (2) occasions during any calendar year, and failure to pay any Rent or Imposition thereafter when due will be deemed an Event of Default without need for further notice;

(b) Tenant fails to deliver into escrow the duly executed and acknowledged Partial Release and Termination for an applicable Development Parcel within the time period set forth in *Section 1.1(b)(i)* (Development Parcels), and such failure continues for one (1) business day following written notice from Port;

(c) Tenant fails to maintain any insurance required to be maintained by Tenant under this Lease, which failure continues without cure for five (5) business days after written notice from Port;

(d) Tenant fails to comply with the requirements set forth in *Exhibit H* for each Special Event and such failure continues for one (1) business day following written notice from Port; provided, however, if Tenant commits the same default with respect to consecutive, related Special Events more than two (2) times within a twelve (12) month period (by way of example only, holding a prohibited Special Event during non-business hours on more than two (2) occasions), then Tenant will not be entitled to any cure period under this *Section 23.1(d)* after notice of such second default;

(e) A Material Breach (as such terms is defined in the DDA) by Master Developer occurs under the DDA and remains uncured but such Event of Default under this Lease will be deemed cured if the Material Breach by Master Developer is cured pursuant thereto;

(f) Tenant abandons the Premises, within the meaning of California Civil Code Section 1951.3, which abandonment is not cured within thirty (30) days after notice from Port of Port's belief of abandonment;

(g) The Premises are used for Prohibited Uses, as determined by Port in its reasonable discretion, and such Prohibited Use(s) continues for a period of one (1) business day following written notice from Port; provided, however, if such default cannot reasonably be cured within such period, Tenant will not be in default of this Lease if Tenant commences to cure the default within such period and diligently and in good faith continues to cure the default; provided, further, without limitation of the foregoing, the Parties agree that Tenant's internal deliberations to determine the path to cure such default will be deemed to be a commencement of cure;

(h) Tenant fails to comply with the provisions of *Section 11.1* (Covenant to Repair and Maintain the Premises) within five (5) days following written notice from Port; provided, however, if such default cannot reasonably be cured within such five (5) day period, Tenant will not be in default of this Lease if Tenant commences to cure the default within such five (5) day period and diligently and in good faith continues to cure the default; provided, however, without limitation of the foregoing, the Parties agree that Tenant's internal deliberations to determine the path to cure such default will be deemed to be a commencement of cure;

(i) Tenant fails to comply with the provisions of *Article 21* (Hazardous Materials) and such failure continues for a period of one (1) business day following written notice from Port; provided, however, if such default cannot reasonably be cured within such one (1) business day period, Tenant will not be in default of this Lease if Tenant commences to cure the default within such one (1) business day period and diligently and in good faith continues to cure the default; provided, further that the Parties agree that Tenant's internal deliberations to determine the path to cure such default will be deemed to be a commencement of cure;

(j) Tenant files a petition for relief, or an order for relief is entered against Tenant, in any case under applicable bankruptcy or insolvency Law, or any comparable Law that is now or hereafter may be in effect, whether for liquidation or reorganization, which proceedings if filed against Tenant are not dismissed or stayed within one hundred eighty (180) days;

(k) A writ of execution is levied on the Leasehold Estate which is not released within one hundred eighty (180) days, or a receiver, trustee or custodian is appointed to take custody of all or any material part of the property of Tenant, which appointment is not dismissed within one hundred eighty (180) days; provided, however, that the exercise by a Mortgagee of

any of its remedies under its Mortgage will not, in and of itself, constitute a default under this *Section 23.1(k)*;

(l) Tenant makes a general assignment for the benefit of its creditors; or

(m) Tenant violates any other covenant, or fails to perform any other obligation to be performed by Tenant under this Lease (including, but not limited to, any Mitigation and Improvement Measures that Tenant is required to comply with) at the time such performance is due, and such violation or failure continues without cure for more than thirty (30) days after written notice from Port specifying the nature of such violation or failure, or, if such cure cannot reasonably be completed within such thirty (30) day period, if Tenant does not within such thirty (30) day period commence such cure, or having so commenced, does not prosecute such cure with diligence and dispatch to completion within a reasonable time thereafter.

**23.2. *Special Provisions Concerning Mortgagees and Events of Default.***

Notwithstanding anything in this Lease to the contrary, the exercise by a Mortgagee of any of its remedies under its Mortgage will not, in and of itself, constitute a default under this Lease. Port will also accept a cure of an Event of Default by any Tenant investor or mezzanine lender; provided, however, such parties will not have any additional time to cure any Event of Default.

**24. REMEDIES.**

**24.1. *Port's Remedies Generally.***

(a) Upon the occurrence and during the continuance of an Event of Default under this Lease, except as expressly limited herein, Port has all rights and remedies provided in this Lease or available at Law or in equity (including the right to seek injunctive relief or an order for specific performance, where appropriate), including the right to self-help to the extent provided for herein; provided, however, notwithstanding anything to the contrary in this Lease, any right to cure and any remedy available to Port regarding any Event of Default under the Workforce Development Plan, is limited to those rights and remedies provided in the applicable Law for such Workforce Development Plan; provided, further, Port's right to terminate this Lease for an Event of Default will be limited to Events of Default described in *Sections 23.1(a)* (but only with respect to Tenant's failure to pay any Impositions), *23.1(e)*, *23.1(g)* and *23.1(i)*.

(b) In addition to the foregoing remedies, (i) Port will have the right to prohibit Tenant's use of the Premises for Special Events if more than two (2) Events of Default under *Section 23.1(d)* occur during any given twelve (12)-month period, and (ii) with respect to an Event of Default due to Tenant's failure to pay Rent, Port will have the remedies set forth in the Financing Plan.

(c) Except as expressly provided herein, all of Port's rights and remedies are cumulative, and except as may be otherwise provided by applicable Law, the exercise of any one or more rights will not preclude the exercise of any other.

**24.2. *Right to Keep Lease in Effect.***

(a) **Continuation of Lease.** Port has the remedy described in California Civil Code Section 1951.4 (lessor may continue lease in effect after lessee's breach and abandonment and recover rent as it becomes due, if lessee has right to sublet or assign, subject only to reasonable limitations) under which Port may continue this Lease in full force and effect following the occurrence of an Event of Default. In the event Port elects this remedy, Port has the right to enforce by suit or otherwise, all covenants and conditions hereof to be performed or complied with by Tenant and exercise all of Port's rights, including the right to collect Rent when due. Upon the occurrence of an Event of Default, following written notice to Tenant, Port may enter the Premises without terminating this Lease and relet them, or any part of them, to third parties for Tenant's account. Tenant will be liable immediately to Port for all reasonable costs Port incurs in reletting the Premises, including Attorneys' Fees and Costs, brokers' fees or

commissions, expenses of remodeling the Premises required by the reletting and similar costs. Reletting can be for a period shorter or longer than the remaining Term, at such rents and on such other terms and conditions as Port determines in its sole discretion.

(b) **No Termination Without Notice.** No act by Port allowed by this *Section 24.2*, nor any appointment of a receiver upon Port's initiative to protect its interest under this Lease, nor any withholding of consent to a Transfer or termination of a Transfer in accordance herewith, will terminate this Lease, unless and until Port notifies Tenant in writing that Port elects to terminate this Lease.

(c) **Application of Proceeds of Reletting.** If Port elects to relet the Premises as provided in *Section 24.2(a)*, the rent that Port receives from reletting will be applied to the payment of:

(i) First, to reimburse a Special Tax Payment Request under *Section 24.2(e)(ii)*, if applicable;

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

(iii) Third, the payments of any indebtedness other than Rent due and unpaid hereunder from Tenant to Port;

(iv) Fourth, Rent due and unpaid under this Lease; and

(v) Fifth, after deducting the payments referred to in *Sections 24.2(c)(i)--24.2(c)(iv)*, any sum remaining from the rent Port receives from reletting will be held by Port and applied to monthly installments of future Rent as such amounts become due under this Lease. In no event will Tenant be entitled to any excess rent received by Port. If on a date Rent or other amount is due under the Lease, the rent received by Port as of such date from any reletting is less than the Rent or other amount due on that date, or if any costs incurred by Port in reletting, remain after applying the rent received from such reletting, Tenant will pay to Port such deficiency. Such deficiency will be calculated and paid monthly.

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

(e) **Termination of the DDA.**

(i) **Rights and Obligations After Termination.** Upon the termination of the DDA ("**DDA Termination Date**"), all rights, obligations and liabilities of Tenant under this Lease will continue in full force and effect for a period of ninety (90) days after the DDA Termination Date. From and after the ninetieth (90<sup>th</sup>) day following DDA Termination Date, Tenant will have no right, title, interest, obligation or liability under this Lease, other than the payment of the Impositions if any bonded indebtedness or other debt payable from all or a portion of the Impositions is outstanding subject to the right of reimbursement as provided in *Section 24.2(e)(ii)*. The foregoing will not in any way be construed to relieve Tenant of any liability arising out of or with regard to the performance of any covenants or obligations to be performed by Tenant before the ninetieth (90<sup>th</sup>) day following DDA Termination Date. Port's sole remedy against Tenant under this Lease with respect to Tenant's failure to comply with its obligation to pay Impositions that are due and payable after the ninetieth (90<sup>th</sup>) day following DDA Termination Date will be to terminate this Lease; provided, however, the foregoing will not limit Port from paying such Impositions. The foregoing is not a limitation on the City's

rights and obligations to collect Impositions and Tenant acknowledges that, independent of Port's rights and remedies under this Lease, the City may utilize procedures under applicable law to collect the Impositions.

(ii) Right to Reimbursement. Until such time as Port terminates the Lease, Tenant will provide Port with written notice of any payments it has made of Special Taxes due and payable after the date that is 90-days after the DDA Termination Date ("Special Tax Payments") to the extent such payments occur through the execution of levies, liens or other involuntary collection actions by applicable taxing agencies against Tenant's current or future revenues, including collection actions against Tenant's right to reimbursement from Project Payment Sources to the extent permitted under DDA Section 12.9. Each such notice will be accompanied by evidence of payment and a request for reimbursement (each a "Special Tax Payment Request"). In addition to reimbursing Tenant for Special Tax Payments from reletting proceeds in accordance with *Section 24.2(c)(i)*, if Tenant makes Special Tax Payments in accordance with this *Section 24.2(e)(ii)*, then Tenant will be entitled to reimbursement for such amounts paid as follows:

(1) Before Phase 1 Completion. If Port terminates the DDA as to Phase 1 following a Material Breach by Master Developer before the Port has issued an SOP Compliance Determination for all Phase 1 Improvements, Tenant will be entitled to reimbursement of the Special Tax Payments made by Tenant, without any Developer Return, from Land Proceeds generated by Parcel K North and Phase 1 Option Parcels on which Master Developer has Closed Escrow before the DDA Termination Date and after Port has satisfied any repayment obligations to Master Developer under Section 12.9(a) of the DDA; or

(2) After Phase 1 Completion. If Port terminates the DDA after Port has issued an SOP Compliance Determination for all Phase 1 Improvements, Tenant will be entitled to reimbursement of the Special Tax Payments made by Tenant, without any Developer Return, from Land Proceeds generated by the Option Parcels in the Phase on which Master Developer has Closed Escrow before the DDA Termination Date and after Port has satisfied any repayment obligations to Master Developer under Sections 12.9(b), 12.9(d), and 12.9(e) of the DDA.

(iii) Approvals. In addition to the reimbursements described in *Sections 24.2(c)(i) and 24.2(e)(ii)*, Port and Tenant agree to seek resolutions from the Port Commission and the Board of Supervisors for the following:

(1) Authorize Port to include a provision in the DDA that will require Port in any subsequent third-party agreement for the development of the 28-Acre Site to require the new master developer as a condition to the first leasehold or fee conveyance to pay the amount of any unreimbursed Special Tax Payments previously made by Tenant directly to Tenant, or to pay such amount to Port to remit to Tenant; and

(2) Authorize Port to reimburse Tenant for Special Tax Payments (and any fees, interest and penalties accruing thereon) from any land revenues that Port receives from agreements between Port and any private or public third parties for the use of the 28-Acre Site executed after the expiration of the 90-day period, and expressly including any payments of Special Tax Payments required to be made directly to Tenant as a condition of the applicable third-party agreement as described in *Section 24.2(e)(iii)(1)*. If reimbursement is so authorized, except in the case of a direct payment to Tenant required under the applicable third-party agreement, Port will make reimbursement payments to Tenant within thirty (30) days after each third party payment of land revenues until the amount of each Special Tax Payment Request is paid in full.

**24.3. Port's Right to Cure Tenant's Default.** Port, at any time after Tenant commits an Event of Default, may, at Port's sole option, cure the default at Tenant's sole cost. If Port at any time, by reason of Tenant's default, undertakes any act to cure or attempt to cure such default

that requires the payment of any sums, or otherwise incurs any costs, damages, or liabilities (including without limitation, Attorneys' Fees and Costs), all such sums, costs, damages, or liabilities paid by Port will be due immediately from Tenant to Port at the time the sum is paid, and if paid by Tenant at a later date, shall bear interest at the lesser of the Default Rate or the maximum non-usurious rate Port is permitted by Law to charge from the date such sum is paid by Port until Port is reimbursed by Tenant.

**24.4. Termination of Tenant's Right to Possession.** Upon an Event of Default that allows for termination:

(a) Before exercising any right to terminate this Lease and Tenant's right to possession of the Premises under *Sections 23.1(a)* (but only with respect to Tenant's failure to pay any Imposition), *23.1(e)*, *23.1(g)*, and *23.1(i)*, Port will provide Tenant with a second written notice ("Second Default Notice") and the additional cure period set forth below:

(i) For an Event of Default under *Section 23.1(a)*, Tenant will have five (5) business days following delivery of the Second Default Notice to cure;

(ii) For an Event of Default under *Sections 23.1(e)* or *23.1(g)*, Tenant will have one (1) business day following delivery of the Second Default Notice to cure; provided, however, if such default cannot reasonably be cured within such one (1) business day period, then Port will not exercise its termination right if Tenant is diligently and in good faith continues to cure the default to completion;

(b) Port may terminate this Lease and Tenant's right to possession of the Premises for the Events of Default described in *Section 24.4(a)* at any time following expiration of the cure periods set forth in *Section 24.4(a)* for the applicable Event of Default by providing Tenant with a written notice of termination.

(c) Acts of maintenance, efforts to relet the Premises, or the appointment of a receiver on Port's initiative to protect Port's interest under this Lease will not constitute a termination of Tenant's right to possession.

(d) If Port elects to terminate this Lease, Port has the rights and remedies provided by California Civil Code Section 1951.2, including the right to recover from Tenant the following:

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

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

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

(iv) Any other amounts necessary to compensate Port for the detriment proximately caused by Tenant's default, or which, in the ordinary course of events, would likely result therefrom. Efforts by Port to mitigate the damages caused by Tenant's breach of this Lease do not waive Port's rights to recover damages upon termination.

The "worth at the time of award" of the amounts referred to in *Sections 24.4(d)(i)* and *24.4(d)(ii)* above will be computed by allowing interest at an annual rate equal to the lesser of the Default Rate or the maximum non-usurious rate Port is permitted by Law to charge. The "worth at the time of award" of the amount referred to in *Section 24.4* will be computed by discounting the amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award, plus one percent (1%).



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

**24.6. Appointment of Receiver.** During the continuance of an Event of Default, Port has the right to have a receiver appointed to collect Rent and conduct Tenant's business. Neither the filing of a petition for the appointment of a receiver nor the appointment itself will constitute an election by Port to terminate this Lease.

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

**24.8. Remedies Not Exclusive.** The remedies set forth in this *Article 24* are not exclusive; they are cumulative and in addition to any and all other rights or remedies of Port now or later allowed by other terms and provisions of this Lease, Law or in equity. Tenant's obligations hereunder will survive any termination of this Lease.

**25. EQUITABLE RELIEF.**

In addition to the other remedies provided in this Lease, either Party is entitled at any time after a default or threatened default by the other Party to seek injunctive relief or an order for specific performance, where appropriate to the circumstances of such default. In addition, after the occurrence of an event of default by the other Party, the non-defaulting Party is entitled to any other equitable relief which may be appropriate to the circumstances of such event of default.

**26. NO WAIVER.**

**26.1. No Waiver by Port or Tenant.** No failure by Port or Tenant to insist upon the strict performance of any term of this Lease or to exercise any right, power or remedy consequent upon a breach of any such term, will be deemed to imply any waiver of any such breach or of any such term unless clearly expressed in writing by the Party against which waiver is being asserted. No waiver of any breach will affect or alter this Lease, which shall continue in full force and effect, or the respective rights of Port or Tenant with respect to any other then existing or subsequent breach.

**26.2. No Accord or Satisfaction.** No submission by Tenant or acceptance by Port of full or partial Rent or other sums during the continuance of any failure by Tenant to perform its obligations hereunder will waive any of Port's rights or remedies hereunder or constitute an accord or satisfaction, whether or not Port had knowledge of any such failure except with respect to the Rent so paid. No endorsement or statement on any check or remittance by or for Tenant or in any communication accompanying or relating to such payment will operate as a compromise or accord or satisfaction unless the same is approved as such in writing by Port. Port may accept such check, remittance or payment and retain the proceeds thereof, without prejudice to its rights to recover the balance of any Rent, including any and all Additional Rent, due from Tenant and to pursue any right or remedy provided for or permitted under this Lease or in law or at equity. No payment by Tenant of any amount claimed by Port to be due as Rent hereunder (including any amount claimed to be due as Additional Rent) will be deemed to waive any claim which Tenant may be entitled to assert with regard to the making of such payment or the amount thereof, and all such payments will be without prejudice to any rights Tenant may have with

respect thereto, whether or not such payment is identified as having been made "under protest" (or words of similar import).

**27. DEFAULT BY PORT; TENANT'S REMEDIES.**

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

**27.2. *Tenant's Exclusive Remedies.*** Upon the occurrence of default by Port described above, which default substantially and materially interferes with the ability of Tenant to construct the Horizontal Improvements, Tenant will have the exclusive right (a) to seek equitable relief, including specific performance, in accordance with applicable Laws and the provisions of this Lease where appropriate and where such relief does not impose personal liability on Port or its Agents, or (b) if and only if Master Developer has a right to terminate the DDA on account of the applicable default, and Master Developer elects to terminate the DDA, to terminate this Lease. Tenant agrees that, notwithstanding anything to the contrary herein or pursuant to any applicable Laws, Tenant's remedies hereunder constitutes Tenant's sole and absolute right and remedy for a default by Port hereunder, and Tenant has no remedy of self-help.

**28. TENANT'S RECOURSE AGAINST PORT.**

**28.1. *No Recourse Beyond Value of Property Except as Specified.*** Tenant agrees that notwithstanding any other term or provision of this Lease, (a) Tenant will have no recourse with respect to, and Port will not be liable for, any obligation of Port under this Lease, or for any claim based upon this Lease, except to the extent of the fair market value of Port's fee interest in the Premises (as encumbered by this Lease) and (b) neither Port nor the Indemnified Parties will be liable under any circumstances for injury or damage to, or interference with Tenant's business, including loss or profits, loss of rents or other revenues, loss of business opportunity, loss of goodwill or loss of use, in each case, however occurring. By Tenant's execution and delivery hereof and as part of the consideration for Port's obligations hereunder, Tenant expressly waives all such liability.

**28.2. *No Recourse Against Specified Persons.*** No commissioner, officer, or employee of the Indemnified Parties will be personally liable to Tenant, or any successor in interest, for any event of default by Port, and Tenant agrees that it will have no recourse with respect to any obligation of Port under this Lease, or for any amount which may become due Tenant or any successor or for any obligation or claim based upon this Lease, against any such Person.

**28.3. *Nonliability of Tenant's Members, Partners, Shareholders, Directors, Officers and Employees.*** No member, officer, partner, shareholder, director, board member, agent, or employee of Tenant will be personally liable to Port, and Port will have no recourse against any of the foregoing, in an Event of Default by Tenant or for any amount which may become due to Port or on any obligations under the terms of this Lease or any claim based upon this Lease.

**29. LIMITATIONS ON LIABILITY.**

**29.1. *Waiver of Indirect or Consequential, Incidental, Punitive and Special Damages.*** As a material part of the consideration for this Lease, neither Party (including the Indemnified Parties) will be liable for, and each Party (including the Indemnified Parties) hereby waives any claims against the other Party for any indirect, consequential, incidental, special or punitive damages.

**29.2. Limitation on Parties' Liability Upon Transfer.** In the event of any transfer of Port's interest in and to the Premises, Port (and in case of any subsequent transfers, the then transferor) will automatically be 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 Lease thereafter to be performed on the part of Port (or such transferor, as the case may be), but not from liability incurred by Port (or such transferor, as the case may be) on account of covenants or obligations to be performed by Port (or such transferor, as the case may be) hereunder before the date of such transfer; provided, however, that Port (or such subsequent transferor) has transferred to the transferee any funds in Port's possession (or in the possession of such subsequent transferor) in which Port (or such subsequent transferor) has an interest, in trust, for application pursuant to the provisions hereof, and such transferee has assumed all liability for all such funds so received by such transferee from Port (or such subsequent transferor).

### **30. ESTOPPEL CERTIFICATES.**

**30.1. Estoppel Certificate by Tenant.** Tenant will execute, acknowledge and deliver to Port (or at Port's request, to a prospective purchaser or mortgagee of Port's interest in the Premises), within fifteen (15) business days after a request, a certificate substantially in the form attached hereto as *Exhibit K* stating to Tenant's knowledge after diligent inquiry (a) that this Lease is unmodified and in full force and effect (or, if there have been modifications, that this Lease is in full force and effect, as modified, and stating the modifications or, if this Lease is not in full force and effect, so stating), (b) the dates, if any, to which any Rent and other sums payable hereunder have been paid, (c) that no notice has been received by Tenant of any default hereunder which has not been cured, except as to defaults specified in such certificate, and (d) any other matter actually known to Tenant, directly related to this Lease and reasonably requested by Port. In addition, if requested, Tenant will attach to such certificate a copy of this Lease, and any amendments thereto, and include in such certificate a statement by Tenant that, its knowledge, such attachment is a true, correct and complete copy of this Lease, as applicable, including all modifications thereto. Any such certificate may be relied upon by any Port, any successor agency, and any prospective purchaser or mortgagee of the Premises or any part of Port's interest therein. Tenant will also insert a provision similar to this Section into each Sublease requiring Subtenants under Subleases to execute, acknowledge and deliver to Port, within twenty (20) business days after request, an estoppel certificate substantially in the form attached hereto as *Exhibit J* covering the matters described in clauses (a), (b), (c) and (d) above with respect to such Sublease, along with a true and correct copy of the applicable Sublease and all amendments thereto.

### **30.2. Estoppel Certificate by Port.**

Port will execute, acknowledge and deliver to Tenant (or at Tenant's request, to any Mortgagee, prospective Mortgagee, prospective purchaser, or other prospective transferee of Tenant's interest under this Lease), within fifteen (15) business days after a request, a certificate substantially in the form attached hereto as *Exhibit L* stating to Port's actual knowledge after diligent inquiry (a) that this Lease is unmodified and in full force and effect (or, if there have been modifications, that this Lease is in full force and effect as modified, and stating the modifications or if this Lease is not in full force and effect, so stating), (b) the dates, if any, to which Rent and other sums payable hereunder have been paid, whether or not, to the knowledge of Port, there are then existing any defaults under this Lease (and if so, specifying the same) and (c) any other matter actually known to Port, directly related to this Lease and reasonably requested by the requesting Party. In addition, if requested, Port will attach to such certificate a copy of this Lease and any amendments thereto, and include in such certificate a statement by Port that, to its knowledge, such attachment is a true, correct and complete copy of this Lease, including all modifications thereto. Any such certificate may be relied upon by Tenant or any Mortgagee, prospective Mortgagee, prospective purchaser, or other prospective transferee of Tenant's interest under this Lease.

**31. APPROVALS BY PORT; STANDARD OF REVIEW; FEES FOR REVIEW.**

**31.1. *Approvals by Port.*** The Port's Executive Director or his or her designee, is authorized to execute on behalf of Port any closing or similar documents and any contracts, agreements, memoranda, or similar documents with State, regional or local authorities or other Persons that are necessary or proper to achieve the purposes and objectives of this Lease and do not materially increase the obligations of Port hereunder, if the Executive Director reasonably determines, after consultation with, and approval as to form by, the City Attorney, that the document is necessary or proper and in Port's best interests. The Port Executive Director's signature of any such documents will conclusively evidence such a determination by him or her. Wherever this Lease requires or permits the giving by Port of its consent or approval, or whenever an amendment, waiver, notice, or other instrument or document is to be executed by or on behalf of Port, the Executive Director, or his or her designee, is authorized to execute such instrument on behalf of Port, except as otherwise provided by applicable Law, including the City's Charter and approval by the City's Attorney's Office to the extent applicable, or if the Executive Director determines, in his or her sole discretion, that Port Commission action is necessary prior to execution of such instrument.

**31.2. *Standard of Review.*** Except as expressly provided otherwise or when Port is acting in its regulatory capacity, the following standards will apply to the Parties' conduct under this Lease.

(a) **Advance Writings Required.** Whenever a Party's approval or waiver is required: (i) the approval or waiver must be obtained in advance and in writing; and (ii) the Party whose approval or waiver is sought may not unreasonably withhold, condition, or delay its approval or waiver, as applicable.

(b) **Commercial Reasonableness.** Whenever a Party is permitted to make a judgment, form an opinion, judge the sufficiency of the other Party's performance, or exercise discretion in taking (or refraining from taking) any action or making any determination, or grant or withhold its approval or consent, unless otherwise stated in this Lease, that Party must employ commercially reasonable standards in doing so. In general, the Parties' conduct in implementing this Lease, including construction of Improvements, disapprovals, demands for performance, requests for additional information, and any exercise of an election or option, must be commercially reasonable.

**31.3. *Fees for Review.*** Unless a different time period is required in this Lease, within thirty (30) days after Port's written request, Tenant will pay Port, as Additional Rent, Port's reasonable costs, including, without limitation, Attorneys' Fees and Costs and costs of Port staff time incurred in connection with the review, investigation, processing, documentation, and/or approval of any proposed Transfer, Mortgage, estoppel certificate, or any other matter under this Lease requiring Port's approval or review excluding any such costs incurred by Port in its regulatory capacity, which costs will be paid separately by Tenant to the extent required by the applicable regulatory requirements. Tenant will pay such reasonable costs regardless of whether or not Port consents to such proposal.

**32. NO MERGER OF TITLE.**

There will be no merger of the Leasehold Estate with the fee estate in the Premises by reason of the fact that the same Person may own or hold (a) the Leasehold Estate or any interest in such Leasehold Estate, and (b) any interest in such fee estate. No such merger will occur unless and until all Persons having any interest in the Leasehold Estate and the fee estate in the Premises join in and record a written instrument effecting such merger.

**33. QUIET ENJOYMENT.**

Subject to the Permitted Encumbrances, the Premises being in and around construction throughout the Term, Construction Impacts from the adjacent and nearby Development Projects,

the terms and conditions of this Lease and applicable Laws, Port agrees that Tenant, upon paying the Rent and observing and keeping all of the covenants under this Lease on its part to be kept, will lawfully and quietly hold, occupy and enjoy the Premises during the Term without hindrance or molestation by Port. Notwithstanding the foregoing, Port has no liability to Tenant in the event any defect exists in the title of Port as of the Commencement Date, whether or not such defect affects Tenant's rights of quiet enjoyment. Tenant's sole remedy with respect to any such existing title defect is to obtain compensation by pursuing its rights against any title insurance company or companies issuing title insurance policies to Tenant.

#### **34. SURRENDER OF PREMISES.**

**34.1. Conditions of Premises.** Except with respect to those portions of the Premises for which this Lease terminates upon conveyance of Development Parcels to Vertical Developers or the City upon Acceptance of Horizontal Improvements, as applicable, (either case of which will also be governed by the DDA and other Project Approvals), upon the expiration or other termination of the Term, Tenant will quit and surrender to Port the Premises (i) in good order and condition, (ii) clean, free of debris, waste, and Hazardous Materials (other than any Pre-Existing Hazardous Materials that have not been Handled, Released, or Exacerbated by Tenant, its Agents, or Invitees), and (iii) free and clear of all liens and encumbrances other than the Permitted Encumbrances. If it is determined by Port that the condition of all or any portion of the Premises is not in compliance with the provisions of this Lease with respect to Hazardous Materials at the expiration or earlier termination of this Lease, then at Port's sole option, Port may require Tenant to hold over possession of the Premises until Tenant can surrender the Premises to Port in the condition required herein. Except as set forth in *Section 34.2* (Demolition of Improvements), the Premises will be surrendered with all Horizontal Improvements, other Improvements, repairs, alterations, additions, substitutions and replacements thereto. Tenant hereby agrees to execute all documents as Port or the City may deem necessary to evidence or confirm any such other termination.

#### **34.2. Demolition of Improvements.**

(a) At the expiration or earlier termination of this Lease, at Port's sole election ("Demolition Option"), Port may require Tenant, at Tenant's sole cost, to Demolish and Remove the Improvements, including Horizontal Improvements that have not been Accepted by the City that Port or the City reasonably believe are defective, and surrender the Premises as a vacant parcel of real property. Port will notify Tenant of Port's election to exercise the Demolition Option (i) no later than twenty-four (24) months prior to the expiration of this Lease, or (ii) within ninety (90) days following termination of this Lease due to an Event of Default.

(b) If Port exercises the Demolition Option in accordance with *Section 34.2(a)*, then if Port agrees that Tenant will complete the Demolition and Removal after the expiration or earlier termination of this Lease (or promptly thereafter if the Lease is terminated due to an Event of Default), Port and Tenant will enter into Port's standard license granting Tenant non-possessory access to the Premises in order for Tenant to perform the Demolition and Removal following the expiration or earlier termination of this Lease; provided, however, Tenant will perform the Demolition and Removal in compliance with *Article 13* (Subsequent Construction) and Port may require insurance, bond, guaranty, Indemnification, and other requirements that exceed the coverage amounts or licensee obligations set forth in Port's standard license, that Port determines are reasonably appropriate to protect its interest in light of the risks and liabilities associated with the Demolition and Removal.

(c) Tenant must commence and complete the Demolition and Removal in a timely manner and with due diligence and care, and complete the same within the time period agreed to between the Parties.

**34.3. Subleases.** Upon any termination of this Lease, all Subleases hereunder will automatically terminate.

**34.4. Personal Property.** On or before expiration or earlier termination of this Lease, Tenant will remove and will cause all Subtenants to remove, all of their respective trade fixtures, signs and other Personal Property. If the removal of such Personal Property causes damage to the Premises, Tenant will promptly repair such damage, at no cost to Port. Any items not removed by Tenant as required herein will be deemed abandoned and may be stored, removed, and disposed of by Port at Tenant's sole cost and expense, and Tenant waives all claims against Port for any Losses resulting from Port's retention, removal or disposition of such Personal Property; provided, however, that Tenant will be liable to Port for all costs incurred in storing, removing and disposing of such abandoned property or repairing any damage to the Premises resulting from such removal.

**34.5. Quitclaim.** Upon the expiration or earlier termination of this Lease, the Premises will automatically, and without further act or conveyance on the part of Tenant or Port, become the property of Port, free and clear of all liens and without payment therefore by Port and will be surrendered to Port upon such date. Upon or at any time after the expiration or earlier termination of this Lease, if requested by Port, Tenant will promptly deliver to Port, without charge, a quitclaim deed to the Premises and any other instrument reasonably requested by Port to evidence or otherwise effectuate the termination of the Leasehold Estate and to effectuate such transfer or vesting of title to the Premises, the Improvements and Personal Property that Port agrees are to remain within the Premises.

**34.6. Survival.** The provisions of this *Article 34* will survive the expiration or earlier termination of this Lease.

**35. NOTICES.**

**35.1. Notices.**

All notices, demands, consents, and requests which may or are to be given by any Party to the other will be in writing, except as otherwise provided herein. All notices, demands, consents, and requests to be provided hereunder shall be deemed to have been properly given on the date of receipt if served personally on a day that is a business day (or on the next business day if served personally on a day that is not a business day), or, if mailed, on the date that is two (2) days after the date when deposited with the U.S. Postal Service for delivery by United States registered or certified mail, postage prepaid, in either case, addressed as follows:

<i>To Port:</i>	Port of San Francisco Pier 1 San Francisco, CA 94111 Attn: Deputy Director of Real Estate and Development Re: Pier 70 Waterfront Site
<i>With a copy to:</i>	Port of San Francisco Pier 1 San Francisco, CA 94111 Attn: Deputy Director of Real Estate and Development Re: Pier 70 Waterfront Site <i>and</i> Port of San Francisco Pier 1 San Francisco, CA 94111 Attn: General Counsel

<i>Master Developer:</i>	c/o Forest City 875 Howard St. Ste. 330 San Francisco, CA 94103 Attn: Jack Sylvan, Senior Vice President
<i>With a copy to:</i>	Forest City Realty Trust, Inc. Key Tower, Suite 3200 127 Public Square Cleveland, OH 44114 Attn: General Counsel <i>and</i> Gibson Dunn & Crutcher LLP 555 Mission Street San Francisco, CA Attn: Neil Sekhri

or at such other place or places in the United States as each such Party may from time to time designate by written notice to the other in accordance with the provisions hereof. For convenience of the Parties, copies of notices may also be given by electronic-mail to the electronic-mail address set forth above (or such other address as may be provided from time to time by notice given in the manner required hereunder); however, neither Party may give official or binding notice by electronic-mail.

**35.2. Form and Effect of Notice.**

Every notice given to a Party or other Person under this Section must state (or will be accompanied by a cover letter that states):

- (a) the Section of this Lease pursuant to which the notice is given and the action or response required, if any; and
- (b) if applicable, the period of time within which the recipient of the notice must respond thereto.

In no event will a recipient's approval of or consent to the subject matter of a notice be deemed to have been given by its failure to object thereto if such notice (or the accompanying cover letter) does not comply with the requirements of this **Section 35.2**.

**36. INSPECTION OF PREMISES BY PORT.**

**36.1. Entry for Inspection.** Subject to the rights of any Subtenants, Port and its authorized Agents have the right to enter the Premises without notice at any time during normal business hours of generally recognized business days, provided that Tenant or Tenant's Agents are present on the Premises (except in the event of an emergency), for the purpose of inspecting the Premises to determine whether the Premises is in good condition and whether Tenant is complying with its obligations under this Lease.

**36.2. Entry for Horizontal Improvements.** With respect to the development of Horizontal Improvements, Port and its Agents have the right of entry onto Premises in accordance with Section 14.7(c) (Port Right of Entry) of the DDA to the extent reasonably necessary to carry out the purposes of the DDA.

**36.3. General Entry.** In addition to its rights pursuant to **Section 36.1** (Entry for Inspection), subject to the rights of any Subtenants, Port and its authorized Agents will have the right to enter the Premises at all reasonable times and upon reasonable notice as stated below for any of the following purposes:

(a) To perform any necessary maintenance, repairs or restoration to the Premises or to perform any services which Port has the right or obligation to perform in accordance with *Sections 11.2* (Port's Right to Inspect) or *24.2* (Right to Keep Lease in Effect);

(b) To serve, post, or keep posted any notices required or allowed under the provisions of this Lease;

(c) To obtain environmental samples and perform equipment and facility testing.

Port agrees to give Tenant reasonable prior notice of Port's entering on the Premises except in an emergency for the purposes set forth above. Such notice will be not less than one (1) days' prior notice. Tenant will have the right to have a representative of Tenant accompany Port or its Agents on any entry into the Premises. Notwithstanding the foregoing, no notice will be required for Port's entry onto public areas of the Premises during regular business hours unless such entry is for the purposes set forth in *Section 36.3(a)*.

**36.4. Emergency Entry.** Port may enter the Premises at any time, without notice, in the event of an emergency. Port will have the right to use any and all means which Port may deem proper in such an emergency in order to obtain entry to the Premises. Entry to the Premises by any of these means, or otherwise, will not under any circumstances be construed or deemed to be a forcible or unlawful entry into, or a detainer of, the Premises, or an eviction of Tenant from the Premises or any portion of the Premises.

**36.5. No Liability.** Port will not be liable in any manner, and Tenant hereby waives any claim for damages, for any inconvenience, disturbance, loss of business, nuisance, or other damage, including without limitation any abatement or reduction in Rent, arising out of Port's entry onto the Premises as provided in *Article 36* (Inspection Of Premises By Port) or performance of any necessary or required work on the Premises, or on account of bringing necessary materials, supplies and equipment into or through the Premises during the course thereof, except damage resulting solely from the willful misconduct or gross negligence of Port or its authorized representatives.

**36.6. Nondisturbance.** Port will use its commercially reasonable efforts to conduct its activities on the Premises as allowed in this *Article 36* (Inspection Of Premises By Port) in a manner which, to the extent reasonably practicable, will minimize annoyance or disturbance to Tenant.

**36.7. Subtenant Agreement.** Tenant will require each Subtenant to permit Port to enter its premises for the purposes specified in *Section 36.1* (Entry for Inspection) through *Section 36.4* (Emergency Entry).

### **37. MORTGAGES.**

Tenant will have the right to Mortgage the Leasehold Estate in accordance with the attached *Exhibit M*.

### **38. NO JOINT VENTURE.**

Nothing contained in this Lease will be deemed or construed as creating a partnership or joint venture between Port and Tenant or between Port and any other Person, or cause Port to be responsible in any way for the debts or obligations of Tenant. The subject of this Lease is a lease with neither Party acting as the agent of the other Party in any respect except as may be expressly provided for in this Lease.

### **39. ECONOMIC ACCESS.**

Tenant will comply with the Workforce Development Plan attached hereto as *Exhibit I* (the "Workforce Development Plan"). The Workforce Development Plan is designed to afford opportunities for San Francisco residents to participate in the construction and operation of the



Horizontal Improvements. Tenant will comply with the Workforce Development Plan with respect to the operation and leasing of the Premises, and will include in its Subleases, applicable provisions of the Workforce Development Plan in accordance with the same.

#### 40. REPRESENTATIONS AND WARRANTIES OF TENANT.

Tenant represents, warrants and covenants to Port as follows, as of the date hereof and as of the Commencement Date:

(a) **Valid Existence; Good Standing.** Tenant is a limited liability company duly organized and validly existing under the laws of the State of Delaware. Tenant has the requisite power and authority to own its property and conduct its business as presently conducted. Tenant is in good standing in the State of Delaware.

(b) **Authority.** Tenant has the requisite power and authority to execute and deliver this Lease and the agreements contemplated hereby and to carry out and perform all of the terms and covenants of this Lease and the agreements contemplated hereby to be performed by Tenant and upon execution, are legal, valid and binding obligations of Tenant, enforceable against Tenant in accordance with its terms; and do not violate any provision of any agreement or judicial order to which Tenant is a party or to which Tenant is subject.

(c) **No Suspension.** That Tenant has not been suspended, disciplined or disbarred by, or prohibited from contracting with, any federal, state or local governmental agency. In the event Tenant has been so suspended, disbarred, disciplined or prohibited from contracting with any governmental agency, it will immediately notify the Port of same and the reasons therefore together with any relevant facts or information requested by Port. Any such suspension, debarment, discipline or prohibition may result in the termination or suspension of this Agreement.

(d) **No Limitation on Ability to Perform.** Neither Tenant's operating agreement, nor any applicable Law, prohibits Tenant's entry into this Lease or its performance hereunder. No consent, authorization or approval of, and no notice to or filing with, any governmental authority, regulatory body or other Person is required for the due execution and delivery of this Lease by Tenant and Tenant's performance hereunder, except for consents, authorizations and approvals which have already been obtained, notices which have already been given and filings which have already been made. Except as may otherwise have been disclosed to Port in writing, there are no undischarged judgments pending against Tenant, and Tenant has not received notice of the filing of any pending suit or proceedings against Tenant before any court, governmental agency, or arbitrator, which might materially adversely affect the enforceability of this Lease or the business, operations, assets or condition of Tenant.

(e) **Valid Execution.** The execution and delivery of this Lease and the performance by Tenant hereunder have been duly and validly authorized. When executed and delivered by Port and Tenant, this Lease will be a legal, valid and binding obligation of Tenant.

(f) **Defaults.** The execution, delivery and performance of this Lease (i) do not and will not violate or result in a violation of, contravene or conflict with, or constitute a default by Tenant under (A) any agreement, document or instrument to which Tenant is a party or by which Tenant is bound, (B) any law, statute, ordinance, or regulation applicable to Tenant or its business, or (C) the articles of organization or the operating agreement of Tenant, and (ii) do not result in the creation or imposition of any lien or other encumbrance upon the assets of Tenant, except as contemplated hereby.

(g) **Financial Matters.** Except to the extent disclosed to Port in writing, (i) Tenant is not in default under, and has not received notice asserting that it is in default under, any agreement for borrowed money, (ii) Tenant has not filed a petition for relief under any chapter of the U.S. Bankruptcy Code, (iii) there has been no event that has materially adversely affected Tenant's ability to meet its Lease obligations hereunder, (iv) to Tenant's knowledge, no

involuntary petition naming Tenant as debtor has been filed under any chapter of the U.S. Bankruptcy Code, (v) no federal or state tax liens have been filed against Tenant, and (vi) there is no material adverse change in Tenant's financial condition and Tenant is meeting its financial obligations as they mature.

The representations and warranties herein survive any termination of this Lease.

**41. SPECIAL PROVISIONS.**

Tenant will comply with the Port and City Special Provisions attached hereto as *Exhibit N*.

**42. GENERAL.**

**42.1. Time of Performance.**

(a) **Expiration.** All performance dates (including cure dates) expire at 5:00 p.m., San Francisco, California time, on the performance or cure date.

(b) **Weekend or Holiday.** A performance date which falls on a Saturday, Sunday or City holiday is deemed extended to 5:00 p.m. the next working day.

(c) **Days for Performance.** All periods for performance or notices specified herein in terms of days will be calendar days, and not business days, unless otherwise provided herein.

(d) **Time of the Essence.** Time is of the essence with respect to each provision of this Lease, including, but not limited, the provisions for the exercise of any option on the part of Tenant hereunder and the provisions for the payment of Rent and any other sums due hereunder, subject to Force Majeure.

**42.2. Interpretation of Agreement.**

(a) **Exhibits and Schedule.** Whenever an "Exhibit" or "Schedule" is referenced, it means an attachment to this Lease unless otherwise specifically identified. All such exhibits and schedules are incorporated herein by reference.

(b) **Captions.** Whenever a section, article or paragraph is referenced, it refers to this Lease unless otherwise specifically identified. The captions preceding the articles and sections of this Lease and in the table of contents have been inserted for convenience of reference only. Such captions will not define or limit the scope or intent of any provision of this Lease.

(c) **Words of Inclusion.** The use of the term "include", "including", "such as", or words of similar import, when following any general term, statement or matter will not be construed to limit such term, statement or matter to the specific items or matters, whether or not language of non-limitation is used with reference thereto. Rather, such terms will be deemed to refer to all other items or matters that could reasonably fall within the broadest possible scope of such statement, term or matter.

(d) **No Presumption Against Drafter.** This Lease has been negotiated at arm's length and between Persons sophisticated and knowledgeable in the matters dealt with herein. In addition, experienced and knowledgeable legal counsel has represented each Party. Accordingly, this Lease will be interpreted to achieve the intents and purposes of the Parties, without any presumption against the Party responsible for drafting any part of this Lease (including California Civil Code Section 1654).

(e) **Fees and Costs.** The Party on which any obligation is imposed in this Lease will be solely responsible for paying all costs and expenses incurred in the performance thereof, unless the provision imposing such obligation specifically provides to the contrary.

(f) **Lease References.** Wherever reference is made to any provision, term or matter “in this Lease,” “herein” or “hereof,” or words of similar import, the reference will be deemed to refer to any and all provisions of this Lease reasonably related thereto in the context of such reference, unless such reference refers solely to a specific numbered or lettered article, section or paragraph of this Lease or any specific subdivision thereof.

(g) **Approvals.** Unless otherwise specifically stated in this Lease, wherever a Party hereto has a right of approval or consent, such approval or consent will not be unreasonably withheld, conditioned or delayed and such approval or consent will be given in writing.

(h) **Legal References.** Wherever reference is made to a specific code or section of a specific Law, the reference will be deemed to include any amendment, restatement or replacement.

**42.3. Successors and Assigns.** This Lease is binding upon and will inure to the benefit of the successors and assigns of Port, Tenant, and any Mortgagee. Where the term “Tenant,” “Port,” “Mortgagee” is used in this Lease, it means and includes their respective successors and assigns, or including, as to any Mortgagee, any transferee and any successor or assign of such transferee. Whenever this Lease specifies or implies Port as a Party or the holder of the right or obligation to give approvals or consents, if Port or the entity which has succeeded to Port’s rights and obligations no longer exists, then the City will be deemed to be the successor and assign of Port for purposes of this Lease.

**42.4. No Third-Party Beneficiaries.** This Lease is for the exclusive benefit of the Parties hereto 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, except as provided in *Article 37* (Mortgages) with regard to Mortgagees.

**42.5. Real Estate Commissions.** Port is not liable for any real estate commissions, brokerage fees or finder’s fees which may arise from this Lease or any Sublease. Tenant and Port each represents that neither has engaged any broker, agent or finder in connection with this transaction. In the event any broker, agent or finder makes a claim, through either Party, the Party through whom such claim is made agrees to Indemnify the other Party (including the Indemnified Parties) from any Losses arising out of such claim.

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

**42.7. Entire Agreement.** This Lease (including the Exhibits) constitutes the entire agreement between the Parties with respect to the subject matter set forth therein, 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 this Lease.

**42.8. Amendment.** Neither this Lease nor any of the terms hereof may be terminated, amended or modified except by a written instrument executed by the Parties. If Master Developer seeks an amendment to the DDA pursuant to Section 3.4 (Changes to Project After Phase I) thereof, and such amendment requires a corresponding amendment to this Lease, then this Lease will be amended to conform to such DDA amendment.

**42.9. Governing Law; Selection of Forum.** This Lease 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 Lease, Tenant agrees that all actions or proceedings arising directly or indirectly under this Lease may, at the sole option of Port, be litigated in courts having situs within the State of California, and Tenant 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 Tenant wherever Tenant may then be located, or by certified or registered mail directed to Tenant at the address set forth herein for the delivery of notices.

**42.10. Recordation.** This Lease will not be recorded by either Party. The Parties agree to execute and record in the Official Records a Memorandum of Lease in the form attached hereto as *Exhibit O*. Promptly upon Port's request following the expiration of the Term or any other termination of this Lease, Tenant will deliver to Port a duly executed and acknowledged quitclaim deed suitable for recordation in the Official Records and in form and content satisfactory to Port and the City Attorney, for the purpose of evidencing in the public records the termination of Tenant's interest under this Lease. Port may record such quitclaim deed at any time on or after the termination of this Lease, without the need for any approval or further act of Tenant.

**42.11. Attorneys' Fees.** 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 Lease, will be entitled to recover from the other party its costs and expenses of suit, including but not limited to reasonable Attorneys' Fees and Costs, which will be payable whether or not such action is prosecuted to judgment. "Prevailing party" within the meaning of this Section 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. Attorneys' Fees and Costs under this Section includes attorneys' fees and all other reasonable costs and expenses incurred in connection with any appeal.

For purposes of this Lease, reasonable fees of attorneys of the City's Office of the City Attorney will 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.

**42.12. Severability.** If any provision of this Lease, 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 Lease or the application of such provision to any other Person or circumstance, and the remaining portions of this Lease will continue in full force and effect, unless enforcement of this Lease 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 Lease.

**42.13. Tenant's Cost.** No provision of this Lease requiring Tenant to perform work at its sole cost and expense (or words or phrases of similar effect) will, in and of itself, limit Master Developer's right to reimbursement under the DDA or Acquisition Agreement, if any.

#### **43. DEFINITION OF CERTAIN TERMS.**

For purposes of this Lease, initially capitalized terms shall have the meanings ascribed to them in this Section:

"28-Acre Site" is defined in *Recital B*.

"Access Rights" as defined in *Section 4.4(b)*.

"Acceptance" means, with respect to any Horizontal Improvement, the acceptance by the Port or City of such Horizontal Improvement in accordance with the applicable procedures set forth in the DDA. "Accept" and "Accepted" have correlative meanings.

"Acquisition Agreement" means that certain Reimbursement and Acquisition Agreement between Port and Horizontal Developer, as further defined in the DDA.

“Additional Rent” means any and all sums (other than Base Rent and Percentage Rent) that may become due or be payable by Tenant under this Lease.

“Affiliate” means when used in reference to a specified Person, any other Person that directly or indirectly through intermediaries Controls, is Controlled by, or is under Common Control with the Specified Person.

“Affordable Self Storage” is defined in the Basic Lease Information.

“Affordable Self Storage Site” is defined in the Basic Lease Information.

“Agents” means, when used with reference to either Party to this Lease, the officers, directors, employees, legal or authorize representatives, attorney, or contractor of such Party, and any of their respective Agents.

“Ancillary Permitted Uses” as described in the Basic Lease Information.

“Anniversary Date” means each anniversary of the Commencement Date during the Term, unless the actual Commencement Date is not the first day of a month, in which case, each Anniversary Date will be determined as if the Commencement Date were the first day of the first full month after the actual Commencement Date.

“Anticipated Conveyance Date” as defined in *Section 1.1(b)(i)(2)*

“As Is With All Faults” as defined in *Section 1.2(c)*.

“Assessment Shortfall” means the positive difference between: (i) the amount of property taxes that would have been levied on a Taxable Parcel by application of the ad valorem tax on its Baseline Assessed Value, as escalated to the date of determination by annual increases and reassessment following a transfer; and (ii) the amount of property taxes actually levied on the Taxable Parcel after Reassessment.

“Attorneys’ Fees and Costs” means reasonable attorneys’ fees and related costs incurred in an action or otherwise indicated in the Lease, including all costs of litigation, such as fees and related costs of attorneys, consultants, testing, and experts, litigation costs of the action, and costs for document copying, exhibit preparation, carriers, postage, and communications.

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

“Baseline Assessed Value” means the assessed value of a Taxable Parcel in the SUD in the City Fiscal Year in which the Chief Harbor Engineer issues the related Final Certificate of Occupancy.

“Base Rent” is defined in the Basic Lease Information.

“Bonds” means any bonds or other forms of indebtedness secured and payable by one or more of Housing Tax Increment, Mello-Roos Taxes, or Tax Increment issued on behalf of any financing district, to implement the Financing Documents.

“Building 11” is defined in the Basic Lease Information.

“Building 11 Site” is defined in the Basic Lease Information.

“Building 21 Site” is defined in the Basic Lease Information.

“CASp” is defined in *Section 1.1(c)*.

“Casualty” is defined in *Section 15.1(a)*.

“City” means the City and County of San Francisco, a municipal corporation.

“City Agency” means any public body or an individual authorized to act on behalf of the City in its municipal capacity, including the Board of Supervisors or any City commission,

department, bureau, division, office, or other subdivision, and officials and staff to whom authority is delegated, on matters within the City Agency's jurisdiction.

"City Fiscal Year" means the period beginning on July 1 of any year and ending on the following June 30.

"CFD" is an acronym for a community facilities district or a special tax district formed under CFD Law and, when preceded by a name, means the real property in any CFD in the SUD. References to a CFD also mean the district itself and any area within it designated as a Zone, if required by the context.

"Commencement Date" as defined in the Basic Lease Information.

"Condemnation" means the taking or damaging, including severance damage, of all or any part of any property, or the right of possession thereof, by eminent domain, inverse condemnation, or for any public or quasi-public use under the law. Condemnation may occur pursuant to the recording of a final order of condemnation, or by a voluntary sale of all or any part of any property to any Person having the power of eminent domain (or to a designee of any such Person), provided that the property or such part thereof is then under the threat of condemnation or such sale occurs by way of settlement of a condemnation action.

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

"Construction Impacts" as described in *Section 5.1*.

"Control" means the ownership (direct or indirect) by one Person of more than fifty percent (50%) of the profits or capital of another Person. "Controlled" and "Controlling" have correlative meanings. "Common Control" means that two Persons are both Controlled by the same other Person.

"Current Assessed Value" means a Taxable Parcel's Baseline Assessed Value as escalated or reassessed on the date of determination.

"DDA" is defined in *Recital E*.

"Default Rate" is defined in *Section 3.8 of Exhibit D* (Rent).

"Demolish and Remove" means the demolition of the Improvements and the removal and disposal of all debris in accordance with all Laws. "Demolition and Removal" have a correlative meaning.

"Demolition Option" is defined in *Section 34.2(a)*.

"Design for Development" means the Pier 70 Design for Development approved by the Port Commission and the Planning Commission, as amended from time to time.

"Development Parcel" means a buildable parcel in the SUD.

"Development Projects" is defined in *Section 5.1*.

"Encroachment Area" is defined in *Section 1.1(e)*.

"Encroachment Area Charge" is defined in *Section 1.1(e)*.

"Environmental Laws" as defined in *Section 21.6*.

"Environmental Regulatory Action" is defined in *Section 21.6*.

"Environmental Regulatory Agency" is defined in *Section 21.6*.

"Environmental Regulatory Approval" is defined in *Section 21.6*.

"Event of Default" as defined in *Section 23.1*.

“Exacerbate” is defined in *Section 21.6*.

“Executive Director” means the Executive Director of the Port or his or her designee.

“Exempt Parcel” means any assessor’s parcel that is exempt from taxation, including any levy of Mello-Roos Taxes under an RMA, or under any state or federal tax exempt determination.

“Final Construction Documents” means plans and specifications sufficient for the processing of an application for a building permit in accordance with applicable Laws and the Interagency Cooperation Agreement.

“FOG Ordinance” means Sections 140-140.7 of Article 4.1 of the San Francisco Public Works Code, or any subsequent amendment or replacement of the same that sets forth prohibitions, limitations and requirements for the discharge of fats, oils and grease into the City’s sewer system by food service establishments.

“Force Majeure” means events which result in delays in a Party’s performance of its obligations hereunder due to causes beyond such Party’s control, including, but not restricted to: (i) domestic or international events disrupting civil activities, such as war, acts of terrorism, insurrection, acts of the public enemy, and riots; (ii) acts of nature, including floods, earthquakes, unusually severe weather, and resulting fires and casualties; (iii) epidemics and other public health crises affecting the workforce by actions such as quarantine restrictions; (iv) inability to secure necessary labor, materials, or tools (but only if the Party claiming delay has taken reasonable action to obtain them on a timely basis) due to any of the above events, freight embargoes, lack of transportation, or failure or delay in delivery of utilities serving the Premises; (v) so long as Port has not delivered to Tenant or Master Developer, as applicable a notice of default under the Lease or the DDA, as applicable, that remains uncured, litigation that enjoins construction or other work on any portion of the Premises; (vi) Administrative Delay, Environmental Delay, or Down Market Delay (in each case as defined in the DDA); and (vii) in the case of Tenant, any delay resulting from a defect in Port’s title to the Premises. Force Majeure does not include failure to obtain financing or have adequate funds. The delay caused by Force Majeure includes not only the period of time during which performance of an act is hindered, but also such additional time thereafter as may reasonably be required to make repairs, to Restore if appropriate, and to complete performance of the hindered act.

“Foreclosure” means a foreclosure of a Mortgage or other proceedings in the nature of foreclosure (whether conducted pursuant to court order or pursuant to a power of sale contained in the Mortgage), deed or voluntary assignment or other conveyance in lieu thereof.

“Generator” as described in *Section 21.2(d)*.

“Handle” is defined in *Section 21.6*.

“Hard costs” is defined in *Section 11.3*

“Hazardous Material” as defined in *Section 21.6*.

“Hazardous Material Claim” is defined in *Section 21.6*.

“Hazardous Material Condition” is defined in *Section 21.6*.

“Historic Building” means any of buildings 2, 12, 21 to the extent the same has been added to the Premises in accordance with *Section 1.1(b)(iii)* and the frame of Building 15. “Historic Buildings” mean more than one Historic Building.

“Historic Core” is defined in *Section 5.2(a)(vii)*.

“Historic Core Project” is defined in *Section 5.2(a)(vii)*.

“Horizontal Improvements” means any improvements constructed or to be constructed by the Master Developer pursuant to the DDA.

“Horizontal Improvement Parcel” is defined in *Section 1.1(b)(ii)*.

“IFD” is an acronym for Infrastructure Financing District No. 2 (Port of San Francisco), formed by Ordinance No. 27-16.

“IFD Termination Date” means the respective dates on which all allocations to the IFD of Tax Increment from each Sub-Project Area and the IFD’s authority to repay indebtedness with Tax Increment from each Sub-Project Area end under Appendix G-2.

“Impositions” is defined in *Section 6.1(b)*.

“Improvements” means all buildings, structures, fixtures and other improvements erected, built, placed, installed, constructed, renovated, or rehabilitated, located upon or within the Premises on or after the Commencement Date.

“Indemnified Party” and “Indemnified Parties” means the City, including, but not limited to, all of its boards, commissions, departments, agencies and other subdivisions, including, without limitation, the Port, the City, including its Port, and all of their respective heirs, legal representatives, successors and assigns, all other Person acting on their behalf, and each of them.

“Indemnify” means indemnify, protect and hold harmless. “Indemnification” has a correlative meaning.

“Index” means the Consumer Price Index for All Urban Consumers (base years 1982-1984 = 100) for the San Francisco-Oakland-San-Jose area, published by the United States Department of Labor, Bureau of Labor Statistics. If the Index is modified during the Term hereof, the modified Index shall be used in place of the original Index. If compilation or publication of the Index is discontinued during the Term, Port shall select another similar published index, generally reflective of increases in the cost of living, subject to Tenant’s approval, which shall not be unreasonably withheld or delayed, in order to obtain substantially the same result as would be obtained if the Index had not been discontinued.

“Infrastructure Plan” means the Infrastructure Plan attached to the DDA.

“Investigate” or “Investigation” are defined in *Section 21.6*.

“Invitees” when used with respect to Tenant means the customers, patrons, invitees, guests, members, licensees, assignees, and subtenants of Tenant and the customers, patrons, invitees, guests, members, licensees, assignees and sub-tenants of subtenants.

“Land Proceeds” is defined in the DDA.

“Law” or “Laws” means any one or more present and future laws, ordinances, rules, regulations, permits, authorizations, orders and requirements, to the extent applicable to the Parties or to the Premises or any portion thereof, whether or not in the present contemplation of the Parties, including, without limitation, all consents or approvals (including Regulatory Approvals) required to be obtained from, and all rules and regulations of, and all building and zoning laws of, all federal, state, county and municipal governments, the departments, bureaus, agencies or commissions thereof, authorities, boards of officers, any national or local board of fire underwriters, or any other body or bodies exercising similar functions, having or acquiring jurisdiction of, or which may affect or be applicable to, the Premises or any part thereof, including, without limitation, any subsurface area, the use thereof and of the buildings and Improvements thereon. “Laws” include the Mitigation and Monitoring Program and the Pier 70 Risk Management Plan.

“Lease” means this lease, as it may be amended from time to time.

“Leasehold” or “Leasehold Estate” means Tenant’s leasehold estate created by this Lease.

“Lender” means the holder or holders of a Mortgage and, if the Mortgage is held by or for the benefit of a trustee, agent or representative of one or more financial institutions, the financial



institutions on whose behalf the Mortgage is being held. Multiple financial institutions participating in a single financing secured by a single Mortgage shall be deemed a single Lender for purposes of this Lease.

“Loss” or “Losses” when used with reference to any Indemnity means any and all claims, demands, losses, liabilities, damages (including foreseeable and unforeseeable consequential damages), liens, obligations, interest, injuries, penalties, fines, lawsuits and other proceedings, judgments and awards and costs and expenses, (including, without limitation, reasonable Attorneys’ Fees and Costs and consultants’ fees and costs) of whatever kind or nature, known or unknown, contingent or otherwise.

“Louisiana Site” is defined in the Basic Lease Information.

“Maintenance and Repair Bond” is defined in the Basic Lease Information.

“Maintenance Notice” is defined in *Section 11.3*.

“Master Developer” is defined in *Recital B*.

“Master Tentative Map” is defined in the DDA.

“Master Utilities Plan” is defined in the DDA.

“Memorandum of Lease” means the Memorandum of this Lease, between Port and Tenant, recorded in the Official Records, in the form of *Exhibit P* attached hereto.

“Mid-Block Passages” means publicly accessible pedestrian and vehicular routes that create a connection between public streets and/or open spaces.

“Mitigation Monitoring and Reporting Program” means the Mitigation Monitoring and Reporting Program that the Port Commission adopted by Resolution No. 17-43 and attached hereto as *Exhibit I*.

“Mortgage” means a mortgage, deed of trust, assignment of rents, fixture filing, security agreement or similar security instrument or assignment of Tenant’s leasehold interest under this Lease recorded in the Official Records.

“Net Awards and Payments” is defined in *Section 16.4*.

“New Hazardous Materials” is defined in *Section 21.6*.

“Non-Park/Phase Improvement Parcel” is defined in *Section 1.1(b)(ii)*.

“Noonan Building” means the Improvements located on the Building 11 Site as of the Commencement Date.

“Notice of Special Tax” is defined in *Section 6.2(a)*.

“Notice to Vacate” is defined in *Section 1.1(e)*.

“Official Records” means, with respect to the recordation of Mortgages and other documents and instruments, the Official Records of the City and County of San Francisco.

“Park/Phase Improvement Parcel” is defined in *Section 1.1(b)(ii)*.

“Partial Condemnation” is defined in *Section 16.3(b)*.

“Partial Release of Master Lease” as defined in *Section 1.1(b)(i)(1)*.

“Party” means Port or Tenant, as a party to this Lease; “Parties” means both Port and Tenant, as Parties to this Lease.

“Percentage Rent” is defined in *Exhibit D* (Rent).

“Permitted Encumbrances” is described in *Section 1.2(a)*.

“Permitted Title Exceptions” is defined in *Section 1.2(a)*.

“Permitted Uses” is defined in *Section 4.1*.

“Person” means any individual, partnership, corporation (including, but not limited to, any business trust), limited liability company, joint stock company, trust, unincorporated association, joint venture or any other entity or association, the United States, or a federal, state or political subdivision thereof.

“Personal Property” means all fixtures, furniture, furnishings, equipment, machinery, supplies, software, and other tangible personal property that is incident to the ownership, development or operation of the Improvements and/or the Premises, whether now or hereafter located in, upon or about the Premises, belonging to Tenant and/or in which Tenant has or may hereafter acquire an ownership interest, together with all present and future attachments, accessions, replacements, substitutions and additions thereto or therefor.

“Pesticide Ordinance” is defined in *Section 21.5*.

“PG&E Remediation Site” is described in the Basic Lease Information.

“Pier 70” is defined in *Recital B*.

“Pier 70 Parties” is defined in *Section 5.2(a)(vii)*.

“Pier 70 Risk Management Plan” is defined in *Section 21.6*.

“Port” means the San Francisco Port Commission.

“Port Acceptance Item” means the completed Horizontal Improvements listed in DDA Section 15.7 (B) (Acceptance of Park Parcels and Components of Phase Infrastructure) that Port will accept.

“Pre-Existing Hazardous Materials” is defined in *Section 21.6*.

“Premises” is defined in the Basic Lease Information and *Section 1.1*.

“Prevailing party” is defined in *Section 42.11*.

“Primary Permitted Use” is defined in the Basic Lease Information.

“Prime Rate” means the base rate on corporate loans posted by at least 75% of the nation’s 30 largest banks, as published by the Wall Street Journal, or if the Wall Street Journal has ceased to publish the Prime Rate, then such other equivalent recognized source.

“Prohibited Use” or “Prohibited Uses” as defined in *Section 4.4(a)*.

“Project” is defined in *Recital B*.

“Project Approvals” is defined in *Recital B*.

“Promotional Signage” means signage containing advertising or promotional messages relating to events, subtenants or otherwise relating to the Premises, which signage is intended to be visible primarily to persons on the Premises.

“public work” is defined in *Section 13.3(f)* (Prevailing Wage).

“reasonable wear and tear” is defined in *Section 11.1(d)*.

“Reassessment” means a reduction in ad valorem taxes assessed against a Taxable Parcel through a proceeding under the California Revenue & Taxation Code.

“Record Drawings” is defined in *Section 13.5(a)*. “Regulatory Agency” means any governmental agency having jurisdiction over the Premises, including, but not limited to, the City, RWQCB, and the Army Corps of Engineers.

“Regulatory Approval” means any authorization, approval or permit required by any Regulatory Agency.

“Rehabilitation” means the repair or alteration of an historic building that does not damage or destroy materials, features, or finishes considered important in defining the building’s historic character.

“Related Third Party” is defined in *Section 19.2(a)*.

“Release” is defined in *Section 21.6*.

“Remediate” or “Remediation” is defined in *Section 21.6*.

“Rent” means the sum of Base Rent, Percentage Rent (including all adjustments) and Additional Rent. For purposes of this Lease, Rent includes all unpaid sums that are payable as Rent, but that are unpaid when earned and/or accrue for payment at a later time in accordance with the provisions of this Lease.

“Restoration” means the restoration, replacement, or rebuilding of the Improvements (or the relevant portion thereof) in accordance with all Laws then applicable. (“Restore” and “Restored” shall have correlative meanings.)

“RWQCB” shall mean the San Francisco Bay Regional Water Quality Control Board of Cal/EPA, a state agency.

“Security Deposit” is defined in the Basic Lease Information.

“Special Event” means temporary or short term exhibitions, private and public gatherings, recreation, athletic events, filming, commemorations, market places, sporting events, musical and theatrical performances and other forms of live entertainment and includes setup/load in and demobilization/load out; parking for Special Events; temporary improvements; installation of tents and structures; administrative and security functions and other amenities and facilities to accommodate such Special Events.

“Special Taxes” when used with a modifier means Mello-Roos Taxes levied in the designated CFD.

“Special Tax Payment Request” is defined in *Section 24.2(e)(ii)*.

“Special Tax Payments” is defined in *Section 24.2(e)(ii)*.

“State” means the State of California.

“State Lands Indemnified Parties” means the State of California, the California State Lands Commission, all of its heirs, legal representatives, successor and assigns, and all other Persons acting on its behalf.

“Sublease” means any lease, sublease, license, concession, or other agreement (including, without limitation, a Sublease to Port) by which Tenant leases, subleases, demises, licenses, or otherwise grants to any Person in conformity with the provisions of this Lease, the right to occupy or use any portion of the Premises (whether in common with or to the exclusion of other Persons).

“Sub-Project Area” means, individually or collectively, Sub-Project Area G 2, Sub-Project Area G 3, and Sub-Project Area G 4.

“Sub-Project Area G 1” means the sub-project area of IFD Project Area G consisting of the 20th Street Historic Core.

“Sub-Project Area G 2” means the sub-project area of IFD Project Area G described in Appendix G-2.

“Sub-Project Area G 3” means the sub-project area of IFD Project Area G described in Appendix G-3.

“Sub-Project Area G 4” means the sub-project area of IFD Project Area G described in Appendix G-4.

“Subsequent Construction” means all repairs to and reconstruction, replacement, addition, expansion, Restoration, Rehabilitation, alteration, or modification of any Improvements, or any construction of additional Improvements. “Subsequent Construction” does not include any Horizontal Improvements.

“Substantial Condemnation” is defined in *Section 16.3(a)*.

“Subtenant” means any Person leasing, using, occupying or having the right to occupy any portion of the Premises under and by virtue of a Sublease.

“SUD” means Planning Code Section 249.79 establishing the Pier 70 Special Use District, as it may be amended from time to time.

“Tax Increment” refers to one or more of Allocated Tax Increment, Housing Tax Increment, the City Share of Tax Increment, ERAF Tax Increment, Gross Tax Increment, Port Tax Increment, and Project Tax Increment, as appropriate in the context (as such terms are defined in the Appendix to the DDA).

“Taxable Commercial Parcels” means a Taxable Parcel that is a Commercial Parcel.

“Taxable Parcel” means an assessor’s parcel of real property or other real estate interest that is not exempt from taxation and assessments, including Taxable Commercial Parcels, Taxable Residential Units, and leased space occupied for private use in an Exempt Parcel.

“Taxable Residential Unit” means a Taxable Parcel that is a residential unit.

“Tenant” is identified in the Basic Lease Information, and its permitted successors and assigns.

“Term” is defined in *Section 2*.

“Total Condemnation” is defined in *Section 16.2*.

“Transfer” is defined in the DDA; provided, however, notwithstanding the foregoing, as used herein, the term “Transfer” does not include (i) Special Events; (ii) permitted Subleases; (iii) the granting of a Mortgage in accordance with *Article 37* (Mortgages), nor the exercise of remedies thereunder or (iv) a pledge of equity interest in connection with a mezzanine loan.

“Transportation Demand Management Plan” has the meaning ascribed to “Transportation Program” in the DDA.

“Vertical DDA” is defined in the DDA.

“Vertical Developer” is defined in the DDA.

“Vertical Improvements” is defined in the DDA.

“Work” is defined in *Section 13.4*.


“worth at the time of award” is defined in *Section 24.4*.

[NO FURTHER TEXT ON THIS PAGE; SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Parties have executed this Lease as of the day and year first above written.

**Tenant**

FC PIER 70, LLC, a Delaware limited liability company,

By:   
Name: KEVIN PATNER  
Title: \_\_\_\_\_

**Port**

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

By: \_\_\_\_\_

APPROVED AS TO FORM:

DENNIS J. HERRERA, City Attorney

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Lease authorized by:

- Port Board of Directors Resolution No. 17-43
- Board of Supervisors Resolution No. 401-17

IN WITNESS WHEREOF, the Parties have executed this Lease as of the day and year first above written.


Tenant

FC PIER 70, LLC, a Delaware limited liability company,

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

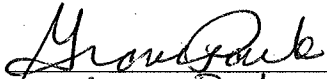
Port

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

By:  \_\_\_\_\_  
Elaine Forbes, Executive Director

APPROVED AS TO FORM:

DENNIS J. HERRERA, City Attorney

By:  \_\_\_\_\_  
Name: Grace Park  
Title: Deputy City Attorney

Lease authorized by:

- Port Board of Directors Resolution No. 17-43
- Board of Supervisors Resolution No. 401-17

**EXHIBIT A-1**  
**LEGAL DESCRIPTION**  
for  
**PIER 70 MASTER LEASE**

ALL THAT REAL PROPERTY SITUATED IN THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

BEING A PORTION PARCEL "A", AS SAID PARCEL IS SHOWN ON "MAP OF LANDS TRANSFERRED IN TRUST TO THE CITY AND COUNTY OF SAN FRANCISCO", FILED IN BOOK "W" OF MAPS, PAGES 66-72, AND FURTHER DESCRIBED IN THAT DOCUMENT RECORDED MAY 14, 1976, AS DOCUMENT NUMBER Y88210, IN BOOK C169, PAGE 573, OFFICIAL RECORDS, CITY AND COUNTY OF SAN FRANCISCO.

ALSO BEING BLOCKS 462, 479, 480, 487, 488, 505 AND PORTIONS OF BLOCKS 445, 446, 461, 463, 478, 489, 504 AND 506, AS SAID BLOCKS ARE SHOWN ON THAT MAP ENTITLED " RANCHO DEL POTRERO NUEVO", RECORDED MARCH 21, 1864 IN BOOK "C" AND "D" OF MAPS, PAGES 78 AND 79, OFFICE OF THE RECORDED, CITY AND COUNTY OF SAN FRANCISCO.

ALSO BEING A PORTION OF BOARD OF TIDE LAND COMMISSIONERS MAP ENTITLED, "MAP OF THE SALT MARSH AND TIDE LANDS AND LANDS LYING UNDER WATER SOUTH OF SECOND STREET AND SITUATE IN THE CITY AND COUNTY OF SAN FRANCISCO", ON FILE IN THE OFFICE OF THE STATE LANDS COMMISSION AND A DUPLICATE COPY FILED IN MAP BOOK "W", PAGES 46 AND 47, OFFICE OF THE RECORDER OF THE CITY AND COUNTY OF SAN FRANCISCO.

ALSO BEING A PORTION OF THE FOLLOWING CLOSED STREETS PER CITY RESOLUTIONS: GEORGIA STREET, LOUISIANA STREET, MARYLAND STREET, DELAWARE STREET, WATERFRONT STREET, 20<sup>TH</sup> STREET, 21<sup>ST</sup> STREET AND 22<sup>ND</sup> STREET, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT OF INTERSECTION OF THE NORTHERLY LINE OF 22<sup>ND</sup> STREET (66 FEET WIDE), THE WESTERLY LINE OF FORMER GEORGIA STREET (80 FEET WIDE), AS SAID STREET EXISTED PRIOR TO THE CLOSURE THEREOF, PER RESOLUTIONS No. 1759, DATED FEBRUARY 27, 1884, No. 10787, DATED MARCH 30, 1914 AND No. 1376, DATED OCTOBER 15, 1940 AND THE GENERAL WESTERLY LINE OF PARCEL 1 OF THAT PARCEL OF LAND DESCRIBED IN DEED GRANTED TO THE STATE OF CALIFORNIA, RECORDED NOVEMBER 13, 1967 IN BOOK B192, PAGE 384, OFFICIAL RECORDS (B192 O.R. 384), CITY AND COUNTY OF SAN FRANCISCO; THENCE ALONG THE NORTHERLY LINE OF FORMER 22<sup>ND</sup> STREET, AS SAID STREET EXISTED PRIOR TO THE CLOSURE THEREOF, PER RESOLUTION No. 1376, DATED OCTOBER 15, 1940 AND ALONG THE LINE OF SAID PARCEL 1 (B192 O.R. 384), NORTH 85°38'01" EAST 40.00 FEET TO THE CENTERLINE OF SAID FORMER GEORGIA STREET; THENCE ALONG SAID CENTERLINE AND LINE OF PARCEL 1 (B192 O.R. 384), NORTH 04°21'59" WEST 270.00 FEET TO THE MOST SOUTHEASTERLY CORNER OF PARCEL 2 OF THAT PARCEL OF LAND AS DESCRIBED IN GRANT DEED TO THE CITY AND COUNTY OF SAN FRANCISCO, RECORDED DECEMBER 16, 1982, AS DOCUMENT NO. D275576, IN BOOK D464, PAGE 628, OFFICIAL RECORDS (D464 O.R. 628), CITY AND COUNTY OF SAN FRANCISCO; THENCE ALONG THE SOUTHERLY AND WESTERLY LINES OF SAID PARCEL 2 (D464 O.R. 628), THE FOLLOWING TWO COURSES: SOUTH 85° 38'01" WEST 240.00 FEET TO THE EASTERLY LINE OF MICHIGAN STREET (80 FEET WIDE), AND ALONG SAID LINE OF MICHIGAN STREET NORTH 04° 21'59" WEST 206.17 FEET; THENCE NORTH 85°38'01" EAST 397.04 FEET; THENCE NORTH 04°21'59" WEST 106.90 FEET; THENCE NORTH 85°38'01" EAST 84.15 FEET; THENCE ALONG A TANGENT CURVE TO THE LEFT WITH A RADIUS OF 25.00 FEET, THROUGH A CENTRAL ANGLE OF 90° 00'00", AN ARC LENGTH OF 39.27 FEET; THENCE NORTH 04°21'59" WEST 257.93 FEET TO THE SOUTHERLY LINE OF 20<sup>TH</sup> STREET (66 FEET WIDE) AND THE NORTHERLY LINE OF SAID PARCEL 2 (D464 O.R. 628); THENCE ALONG SAID LINES, NORTH 85°38'01" EAST

13.81 FEET TO THE EASTERLY LINE OF SAID STREET AND THE GENERAL WESTERLY LINE OF SAID PARCEL 1 (B192 O.R. 384); THENCE ALONG SAID LINES NORTH 04°21'59" WEST 33.00 FEET TO THE CENTERLINE OF SAID STREET AND SOUTHERLY LINE OF PARCEL 1 OF SAID D464 O.R. 628; THENCE ALONG A PORTION OF SAID PARCEL 1 (D464 O.R. 628), ALONG A PORTION OF THE NORTHERLY LINE OF SAID PARCEL 1 (B192 O.R. 384) AND ALONG THE CENTERLINE OF FORMER 20<sup>TH</sup> STREET, AS SAID STREET EXISTED PRIOR TO THE CLOSURE THEREOF, PER RESOLUTION No. 10787, DATED MARCH 30, 1914, NORTH 85°38'01" EAST 618.80 FEET; THENCE SOUTH 36°29'34" EAST 45.07 FEET; THENCE NORTH 53°30'26" EAST 101 FEET, MORE OR LESS, TO THE MEAN HIGH WATER LINE, AT AN ELEVATION OF 5.8 FEET (NAVD88 DATUM), AS INDICATED IN A TIDAL DATUM STUDY PROVIDED BY SAN FRANCISCO BAY CONSERVATION AND DEVELOPMENT COMMISSION (BCDC), ENTITLED, "SAN FRANCISCO BAY TIDAL DATUMS AND EXTREME TIDES STUDY", DATED FEBRUARY, 2016, PREPARED BY AECOM; THENCE IN A GENERAL SOUTHERLY DIRECTION ALONG SAID MEAN HIGH WATER LINE, APPROXIMATELY 1686 FEET TO THE EASTERLY PROLONGATION OF THE MOST SOUTHERLY LINE OF SAID PARCEL 1 (B192 O.R. 384); THENCE ALONG SAID SOUTHERLY LINE, SOUTH 85°30'01" WEST 1085 FEET, MORE OR LESS, TO THE MOST SOUTHWESTERLY CORNER OF SAID PARCEL; THENCE ALONG THE LINES OF SAID PARCEL, NORTH 25°06'47" WEST 56.46 FEET AND NORTH 42° 41'35" WEST 129.00 FEET TO THE SOUTHEASTERLY CORNER OF SAID 22<sup>ND</sup> STREET; THENCE ALONG THE EASTERLY LINE OF SAID 22<sup>ND</sup> STREET AND THE LINE OF SAID PARCEL 1 (B192 O.R. 384), NORTH 04°21'59" WEST 66.00 FEET TO THE POINT OF BEGINNING, CONTAINING 28.096 ACRES, MORE OR LESS.

**EXCEPTING THEREFROM, THE FOLLOWING PARCELS:**

PARCEL 1 (AFFORDABLE SELF STORAGE):

BEGINNING AT THE POINT ON THE SOUTHERLY LINE OF THAT PARCEL OF LAND DESCRIBED IN DEED GRANTED TO THE STATE OF CALIFORNIA, RECORDED NOVEMBER 13, 1967 IN BOOK B192, PAGE 384, OFFICIAL RECORDS (B192 O.R. 384), CITY AND COUNTY OF SAN FRANCISCO, FROM WHICH THE MOST SOUTHWESTERLY CORNER OF SAID PARCEL BEARS SOUTH 85°38'01" WEST 491.1 FEET, SAID POINT OF BEGINNING ALSO BEING ON A LINE WHICH BEARS SOUTH 04°21'59" EAST FROM THE SOUTHEAST CORNER OF A METAL BUILDING KNOWN AS BUILDING NO. 66; THENCE FROM SAID POINT OF BEGINNING, NORTH 04°21'59" WEST 220.0 FEET; THENCE NORTH 85°38'01" EAST 40.0 FEET; THENCE NORTH 04°21'59" WEST 178.0 FEET; THENCE NORTH 85°38'01" EAST 641 FEET, MORE OR LESS TO THE TO THE EASTERLY EDGE OF A CONCRETE DOCK WALL; THENCE ALONG A MEANDERING CONTOUR LINE AT AN ELEVATION OF 5.8 FEET (NAVD88 DATUM), BEING THE MEAN HIGH WATER LINE (MHW) AS INDICATED IN A TIDAL DATUM STUDY PROVIDED BY SAN FRANCISCO BAY CONSERVATION AND DEVELOPMENT COMMISSION (BCDC), ENTITLED, "SAN FRANCISCO BAY TIDAL DATUMS AND EXTREME TIDES STUDY", DATED FEBRUARY, 2016, PREPARED BY AECOM, SOUTHERLY AND WESTERLY ALONG SAID DOCK TO THE SHORELINE AND CONTINUING ALONG THE SHORELINE, EDGES OF CONCRETE WALLS OF DOCKS AND SEAWALLS ALONG SAID MHW LINE, IN A GENERAL SOUTHERLY DIRECTION, 596 FEET, PLUS OR MINUS, TO A POINT ON EASTERLY PROJECTION OF THE SOUTHERLY LINE OF SAID B192 O.R. 384 PARCEL; THENCE ALONG SAID EASTERLY PROJECTION AND THE LINE OF B192 O.R. 384 PARCEL, SOUTH 85°38'01" WEST 594 FEET, MORE OR LESS, TO SAID POINT OF BEGINNING, CONTAINING 5.71 ACRES, MORE OR LESS.

PARCEL 2 (PORTION OF BUILDING NO. 21):

COMMENCING AT THE INTERSECTION OF THE EASTERLY LINE OF ILLINOIS STREET (80 FEET WIDE) AND THE SOUTHERLY LINE OF 20<sup>TH</sup> STREET (66 FEET WIDE); THENCE ALONG SAID LINE OF THE 20<sup>TH</sup> STREET AND ALONG THE SOUTHERLY LINE OF FORMER 20<sup>TH</sup> STREET (66 FEET WIDE), AS SAID STREET EXISTED PRIOR TO THE CLOSURE THEREOF, PER RESOLUTION NO. 10792, DATED MARCH 30, 1914, NORTH 85°38'01" EAST 1,120.00 FEET TO THE EASTERLY LINE OF FORMER MARYLAND STREET (80 FEET WIDE), AS SAID STREET EXISTED PRIOR TO THE CLOSURE THEREOF, PER RESOLUTION NO. 1376, DATED OCTOBER 15, 1940; THENCE ALONG SAID LINE OF FORMER MARYLAND STREET, SOUTH 04°21'59" EAST 424.8 FEET; THENCE SOUTH 85°38'01" WEST



1.2 FEET TO SOUTHWESTERLY EXTERIOR CORNER OF A 2-STORY METAL BUILDING, KNOWN AS BUILDING NO. 21, ALSO BEING THE **TRUE POINT OF BEGINNING**; THENCE ALONG THE EXTERIOR WESTERLY WALL OF SAID BUILDING, MORE OR LESS, NORTH 04°21'59" WEST 45.0 FEET, MORE OR LESS, TO THE NORTHERLY FACE OF A 6 INCH WIDE CONCRETE PARTITION WALL; THENCE ALONG SAID WALL, NORTH 85°38'01" EAST 54.5 FEET, MORE OR LESS, TO NORTHEAST CORNER OF SAID WALL; THENCE ALONG THE EASTERLY FACE OF SAID WALL, SOUTH 04°21'59" EAST 45.0 FEET, MORE OR LESS, TO THE EXTERIOR SOUTHERLY WALL OF SAID BUILDING NO. 21; THENCE ALONG SAID BUILDING WALL, MORE OR LESS, SOUTH 85°38'01" WEST 54.5 FEET TO SAID TRUE POINT OF BEGINNING, CONTAINING 2,452.5 SQUARE FEET, MORE OR LESS.

PARCEL 3 (NOONAN BUILDING PLUS):

COMMENCING AT THE INTERSECTION OF THE EASTERLY LINE OF ILLINOIS STREET (80 FEET WIDE) AND THE SOUTHERLY LINE OF 20<sup>TH</sup> STREET (66 FEET WIDE); THENCE ALONG SAID LINE OF THE 20<sup>TH</sup> STREET AND ALONG THE SOUTHERLY LINE OF FORMER 20<sup>TH</sup> STREET (66 FEET WIDE), AS SAID STREET EXISTED PRIOR TO THE CLOSURE THEREOF, PER RESOLUTION NO. 10792, DATED MARCH 30, 1914, NORTH 85°38'01" EAST 1,120.00 FEET TO THE EASTERLY LINE OF FORMER MARYLAND STREET (80 FEET WIDE), AS SAID STREET EXISTED PRIOR TO THE CLOSURE THEREOF, PER RESOLUTION NO. 1376, DATED OCTOBER 15, 1940; THENCE ALONG SAID LINE OF FORMER MARYLAND STREET, SOUTH 04°21'59" EAST 327.0 FEET; THENCE NORTH 85°38'01" EAST 100.9 FEET TO THE **TRUE POINT OF BEGINNING**; THENCE NORTH 85°38'01" EAST 77.5 FEET; THENCE SOUTH 76°21'39" EAST 57.5 FEET; THENCE SOUTH 04°21'59" EAST 145.0 FEET; THENCE SOUTH 85°38'01" WEST 49.5 FEET; THENCE SOUTH 04°21'59" EAST 4.0 FEET; THENCE SOUTH 85°38'01" WEST 82.7 FEET TO A POINT ON A LINE BEARING SOUTH 04°21'59" EAST FROM SAID TRUE POINT OF BEGINNING; THENCE NORTH 04°21'59" WEST 166.8 FEET TO SAID TRUE POINT OF BEGINNING, CONTAINING 21,361 SQUARE FEET, MORE OR LESS.

PARCEL 4 (PUMP STATION):

COMMENCING AT THE INTERSECTION OF THE EASTERLY LINE OF ILLINOIS STREET (80 FEET WIDE) AND THE SOUTHERLY LINE OF 20<sup>TH</sup> STREET (66 FEET WIDE); THENCE ALONG SAID LINE OF THE 20<sup>TH</sup> STREET AND ALONG THE SOUTHERLY LINE OF FORMER 20<sup>TH</sup> STREET (66 FEET WIDE), AS SAID STREET EXISTED PRIOR TO THE CLOSURE THEREOF, PER RESOLUTION NO. 10792, DATED MARCH 30, 1914, NORTH 85°38'01" EAST 1,400.00 FEET TO THE EASTERLY LINE OF FORMER DELAWARE STREET (80 FEET WIDE), AS SAID STREET EXISTED PRIOR TO THE CLOSURE THEREOF, PER RESOLUTION NO. 1376, DATED OCTOBER 15, 1940; THENCE ALONG SAID LINE OF FORMER DELAWARE STREET, SOUTH 04°21'59" EAST 76.9 FEET; THENCE NORTH 85°38'01" EAST 37.0 FEET TO THE **TRUE POINT OF BEGINNING**, BEING A POINT ON THE EASTERLY FACE OF AN 18 INCH WIDE CONCRETE WALL; THENCE ALONG SAID FACE OF WALL, NORTH 33°06'32" WEST 38.4 FEET AND NORTH 13°01'17" WEST 57.6 FEET TO A POINT ON A CHAIN-LINK FENCE; THENCE ALONG SAID FENCE, NORTH 79°33'35" EAST 19.8 FEET TO THE WESTERLY EDGE OF A CONCRETE LOADING DOCK; THENCE ALONG SAID EDGE OF LOADING DOCK, SOUTH 36°29'34" EAST 24.7 FEET TO THE MOST SOUTHERLY CORNER OF SAID LOADING DOCK; THENCE ALONG THE SOUTHERLY EDGE OF SAID DOCK AND ALONG THE SOUTHERLY LINE OF A 1-STORY METAL BUILDING KNOWN AS BUILDING NO. 6, NORTH 53°30'26" EAST 40.5 FEET; THENCE SOUTH 02°02'49" EAST 95.1 FEET TO A POINT ON THE NORTHERLY FACE OF SAID 18 INCH WIDE CONCRETE WALL; THENCE ALONG THE FACE OF SAID WALL, SOUTH 88°20'10" WEST 36.2 FEET TO SAID TRUE POINT OF BEGINNING, CONTAINING 4,726 SQUARE FEET, MORE OR LESS.

THE BASIS OF BEARING FOR THE ABOVE PARCELS IS BASED UPON THE BEARING OF N03°41'33"W BETWEEN SURVEY CONTROL POINTS NUMBERED 375 AND 376, OF THE HIGH PRECISION NETWORK DENSIFICATION (HPND), CITY & COUNTY OF SAN FRANCISCO 2013 COORDINATE SYSTEM (SFCS13).

**ALSO EXCEPTING THEREFROM, ALL SUBSURFACE MINERAL DEPOSITS, INCLUDING OIL AND GAS DEPOSITS, TOGETHER WITH THE RIGHT OF INGRESS AND EGRESS ON SAID LAND FOR EXPLORATION, DRILLING AND EXTRACTION OF SUCH MINERAL, OIL AND GAS DEPOSITS, AS EXCEPTED AND RESERVED BY THE STATE OF CALIFORNIA IN THAT CERTAIN ACT OF THE LEGISLATURE (THE "BURTON ACT") SET FORTH IN CHAPTER 1333 OF THE STATUTES OF 1968 AND AMENDMENTS THERETO, AND UPON TERMS AND PROVISIONS SET FORTH THEREIN.**

Assessor's Parcel Nos. : Portions of 4052-001 and 4111-004

## EXHIBIT A-1 (Continued)

### LEGAL DESCRIPTION for PARCELS EXCEPTED FROM THE MASTER LEASE

ALL THAT REAL PROPERTY SITUATED IN THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

#### PARCEL 1 (AFFORDABLE SELF STORAGE):

BEGINNING AT THE POINT ON THE SOUTHERLY LINE OF THAT PARCEL OF LAND DESCRIBED IN DEED GRANTED TO THE STATE OF CALIFORNIA, RECORDED NOVEMBER 13, 1967 IN BOOK B192, PAGE 384, OFFICIAL RECORDS (B192 O.R. 384), CITY AND COUNTY OF SAN FRANCISCO, FROM WHICH THE MOST SOUTHWESTERLY CORNER OF SAID PARCEL BEARS SOUTH 85°38'01" WEST 491.1 FEET, SAID POINT OF BEGINNING ALSO BEING ON A LINE WHICH BEARS SOUTH 04°21'59" EAST FROM THE SOUTHEAST CORNER OF A METAL BUILDING KNOWN AS BUILDING NO. 66; THENCE FROM SAID POINT OF BEGINNING, NORTH 04°21'59" WEST 220.0 FEET; THENCE NORTH 85°38'01" EAST 40.0 FEET; THENCE NORTH 04°21'59" WEST 178.0 FEET; THENCE NORTH 85°38'01" EAST 641 FEET, MORE OR LESS TO THE TO THE EASTERLY EDGE OF A CONCRETE DOCK WALL; THENCE ALONG A MEANDERING CONTOUR LINE AT AN ELEVATION OF 5.8 FEET (NAVD88 DATUM), BEING THE MEAN HIGH WATER LINE (MHW) AS INDICATED IN A TIDAL DATUM STUDY PROVIDED BY SAN FRANCISCO BAY CONSERVATION AND DEVELOPMENT COMMISSION (BCDC), ENTITLED, "SAN FRANCISCO BAY TIDAL DATUMS AND EXTREME TIDES STUDY", DATED FEBRUARY, 2016, PREPARED BY AECOM, SOUTHERLY AND WESTERLY ALONG SAID DOCK TO THE SHORELINE AND CONTINUING ALONG THE SHORELINE, EDGES OF CONCRETE WALLS OF DOCKS AND SEAWALLS ALONG SAID MHW LINE, IN A GENERAL SOUTHERLY DIRECTION, 596 FEET, PLUS OR MINUS, TO A POINT ON EASTERLY PROJECTION OF THE SOUTHERLY LINE OF SAID B192 O.R. 384 PARCEL; THENCE ALONG SAID EASTERLY PROJECTION AND THE LINE OF B192 O.R. 384 PARCEL, SOUTH 85°38'01" WEST 594 FEET, MORE OR LESS, TO SAID POINT OF BEGINNING, CONTAINING 5.71 ACRES, MORE OR LESS.

#### PARCEL 2 (PORTION OF BUILDING NO. 21):

COMMENCING AT THE INTERSECTION OF THE EASTERLY LINE OF ILLINOIS STREET (80 FEET WIDE) AND THE SOUTHERLY LINE OF 20<sup>TH</sup> STREET (66 FEET WIDE); THENCE ALONG SAID LINE OF THE 20<sup>TH</sup> STREET AND ALONG THE SOUTHERLY LINE OF FORMER 20<sup>TH</sup> STREET (66 FEET WIDE), AS SAID STREET EXISTED PRIOR TO THE CLOSURE THEREOF, PER RESOLUTION NO. 10792, DATED MARCH 30, 1914, NORTH 85°38'01" EAST 1,120.00 FEET TO THE EASTERLY LINE OF FORMER MARYLAND STREET (80 FEET WIDE), AS SAID STREET EXISTED PRIOR TO THE CLOSURE THEREOF, PER RESOLUTION NO. 1376, DATED OCTOBER 15, 1940; THENCE ALONG SAID LINE OF FORMER MARYLAND STREET, SOUTH 04°21'59" EAST 424.8 FEET; THENCE SOUTH 85°38'01" WEST 1.2 FEET TO SOUTHWESTERLY EXTERIOR CORNER OF A 2-STORY METAL BUILDING, KNOWN AS BUILDING NO. 21, ALSO BEING THE **TRUE POINT OF BEGINNING**; THENCE ALONG THE EXTERIOR WESTERLY WALL OF SAID BUILDING, MORE OR LESS, NORTH 04°21'59" WEST 45.0 FEET, MORE OR LESS, TO THE NORTHERLY FACE OF A 6 INCH WIDE CONCRETE PARTITION WALL; THENCE ALONG SAID WALL, NORTH 85°38'01" EAST 54.5 FEET, MORE OR LESS, TO NORTHEAST CORNER OF SAID WALL; THENCE ALONG THE EASTERLY FACE OF SAID WALL, SOUTH 04°21'59" EAST 45.0 FEET, MORE OR LESS, TO THE EXTERIOR SOUTHERLY WALL OF SAID BUILDING NO. 21; THENCE ALONG SAID BUILDING WALL, MORE OR LESS, SOUTH 85°38'01" WEST 54.5 FEET TO SAID TRUE POINT OF BEGINNING, CONTAINING 2,452.5 SQUARE FEET, MORE OR LESS.

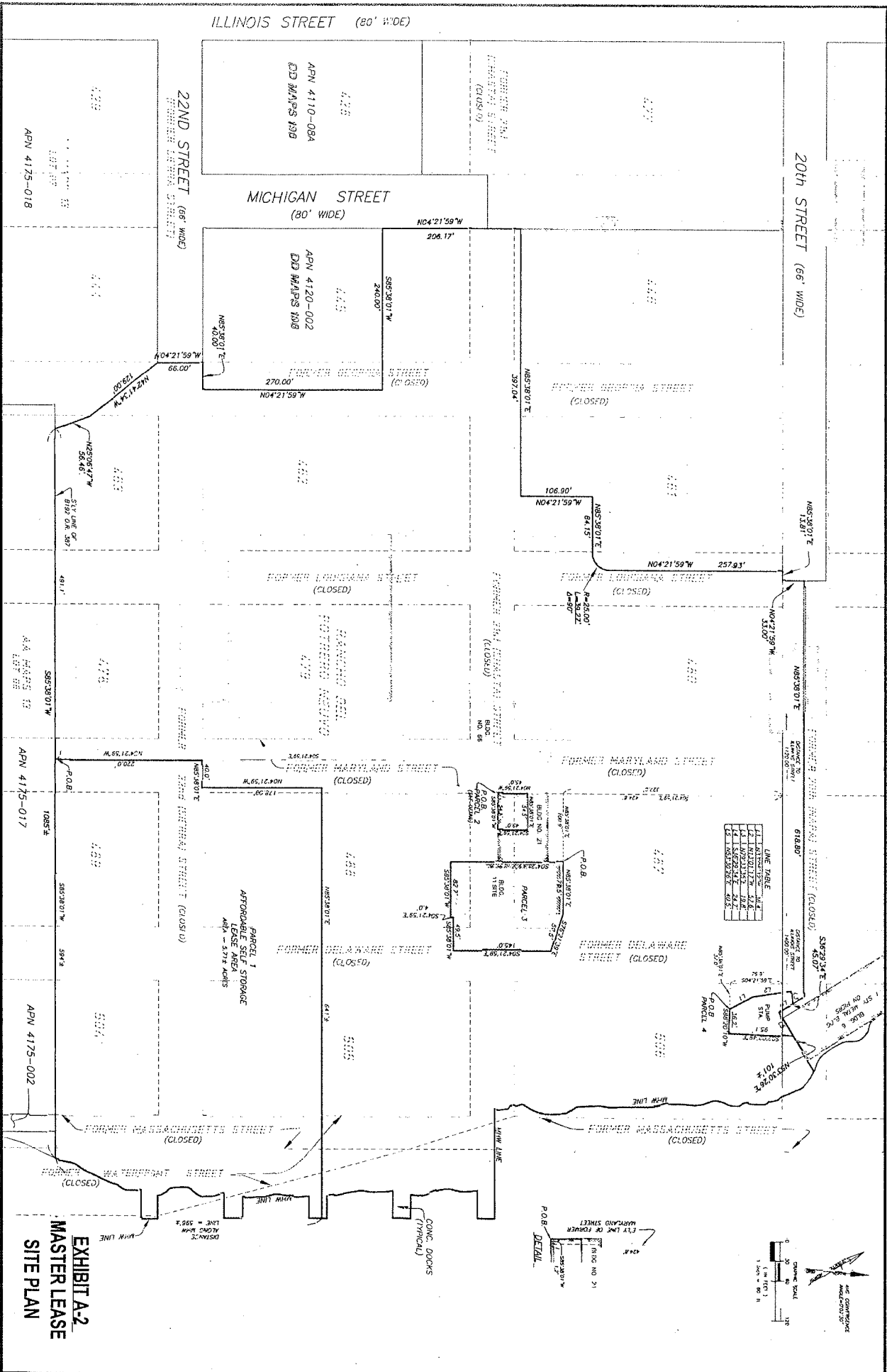
**PARCEL 3 (NOONAN BUILDING PLUS):**

COMMENCING AT THE INTERSECTION OF THE EASTERLY LINE OF ILLINOIS STREET (80 FEET WIDE) AND THE SOUTHERLY LINE OF 20<sup>TH</sup> STREET (66 FEET WIDE); THENCE ALONG SAID LINE OF THE 20<sup>TH</sup> STREET AND ALONG THE SOUTHERLY LINE OF FORMER 20<sup>TH</sup> STREET (66 FEET WIDE), AS SAID STREET EXISTED PRIOR TO THE CLOSURE THEREOF, PER RESOLUTION NO. 10792, DATED MARCH 30, 1914, NORTH 85°38'01" EAST 1,120.00 FEET TO THE EASTERLY LINE OF FORMER MARYLAND STREET (80 FEET WIDE), AS SAID STREET EXISTED PRIOR TO THE CLOSURE THEREOF, PER RESOLUTION NO. 1376, DATED OCTOBER 15, 1940; THENCE ALONG SAID LINE OF FORMER MARYLAND STREET, SOUTH 04°21'59" EAST 327.0 FEET; THENCE NORTH 85°38'01" EAST 100.9 FEET TO THE **TRUE POINT OF BEGINNING**; THENCE NORTH 85°38'01" EAST 77.5 FEET; THENCE SOUTH 76°21'39" EAST 57.5 FEET; THENCE SOUTH 04°21'59" EAST 145.0 FEET; THENCE SOUTH 85°38'01" WEST 49.5 FEET; THENCE SOUTH 04°21'59" EAST 4.0 FEET; THENCE SOUTH 85°38'01" WEST 82.7 FEET TO A POINT ON A LINE BEARING SOUTH 04°21'59" EAST FROM SAID TRUE POINT OF BEGINNING; THENCE NORTH 04°21'59" WEST 166.8 FEET TO SAID TRUE POINT OF BEGINNING, CONTAINING 21,361 SQUARE FEET, MORE OR LESS.

**PARCEL 4 (PUMP STATION):**

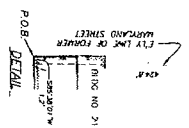
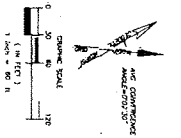
COMMENCING AT THE INTERSECTION OF THE EASTERLY LINE OF ILLINOIS STREET (80 FEET WIDE) AND THE SOUTHERLY LINE OF 20<sup>TH</sup> STREET (66 FEET WIDE); THENCE ALONG SAID LINE OF THE 20<sup>TH</sup> STREET AND ALONG THE SOUTHERLY LINE OF FORMER 20<sup>TH</sup> STREET (66 FEET WIDE), AS SAID STREET EXISTED PRIOR TO THE CLOSURE THEREOF, PER RESOLUTION NO. 10792, DATED MARCH 30, 1914, NORTH 85°38'01" EAST 1,400.00 FEET TO THE EASTERLY LINE OF FORMER DELAWARE STREET (80 FEET WIDE), AS SAID STREET EXISTED PRIOR TO THE CLOSURE THEREOF, PER RESOLUTION NO. 1376, DATED OCTOBER 15, 1940; THENCE ALONG SAID LINE OF FORMER DELAWARE STREET, SOUTH 04°21'59" EAST 76.9 FEET; THENCE NORTH 85°38'01" EAST 37.0 FEET TO THE **TRUE POINT OF BEGINNING**, BEING A POINT ON THE EASTERLY FACE OF AN 18 INCH WIDE CONCRETE WALL; THENCE ALONG SAID FACE OF WALL, NORTH 33°06'32" WEST 38.4 FEET AND NORTH 13°01'17" WEST 57.6 FEET TO A POINT ON A CHAIN-LINK FENCE; THENCE ALONG SAID FENCE, NORTH 79°33'35" EAST 19.8 FEET TO THE WESTERLY EDGE OF A CONCRETE LOADING DOCK; THENCE ALONG SAID EDGE OF LOADING DOCK, SOUTH 36°29'34" EAST 24.7 FEET TO THE MOST SOUTHERLY CORNER OF SAID LOADING DOCK; THENCE ALONG THE SOUTHERLY EDGE OF SAID DOCK AND ALONG THE SOUTHERLY LINE OF A 1-STORY METAL BUILDING KNOWN AS BUILDING NO. 6, NORTH 53°30'26" EAST 40.5 FEET; THENCE SOUTH 02°02'49" EAST 95.1 FEET TO A POINT ON THE NORTHERLY FACE OF SAID 18 INCH WIDE CONCRETE WALL; THENCE ALONG THE FACE OF SAID WALL, SOUTH 88°20'10" WEST 36.2 FEET TO SAID TRUE POINT OF BEGINNING, CONTAINING 4,726 SQUARE FEET, MORE OR LESS.

THE BASIS OF BEARING FOR THE ABOVE PARCELS IS BASED UPON THE BEARING OF N03°41'33"W BETWEEN SURVEY CONTROL POINTS NUMBERED 375 AND 376, OF THE HIGH PRECISION NETWORK DENSIFICATION (HPND), CITY & COUNTY OF SAN FRANCISCO 2013 COORDINATE SYSTEM (SFCS13).



**EXHIBIT A-2  
MASTER LEASE  
SITE PLAN**

LINE TABLE	
1	LINE 1 (66' WIDE)
2	LINE 2 (66' WIDE)
3	LINE 3 (66' WIDE)
4	LINE 4 (66' WIDE)
5	LINE 5 (66' WIDE)
6	LINE 6 (66' WIDE)



PARCEL 1  
AFFORDABLE SELF STORAGE  
LEASE AREA  
APN - 4175-002

CONC. DOCKS  
(TYPICAL)

FORMER MARYLAND STREET  
LINE = 585.3

FORMER MASSACHUSETTS STREET  
LINE = 585.3

FORMER MARYLAND STREET  
LINE = 585.3

FORMER MASSACHUSETTS STREET  
LINE = 585.3

FORMER MARYLAND STREET  
(CLOSED)

FORMER MASSACHUSETTS STREET  
(CLOSED)

FORMER MARYLAND STREET  
(CLOSED)

FORMER MASSACHUSETTS STREET  
(CLOSED)

FORMER MARYLAND STREET  
(CLOSED)

FORMER MASSACHUSETTS STREET  
(CLOSED)

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(CLOSED)

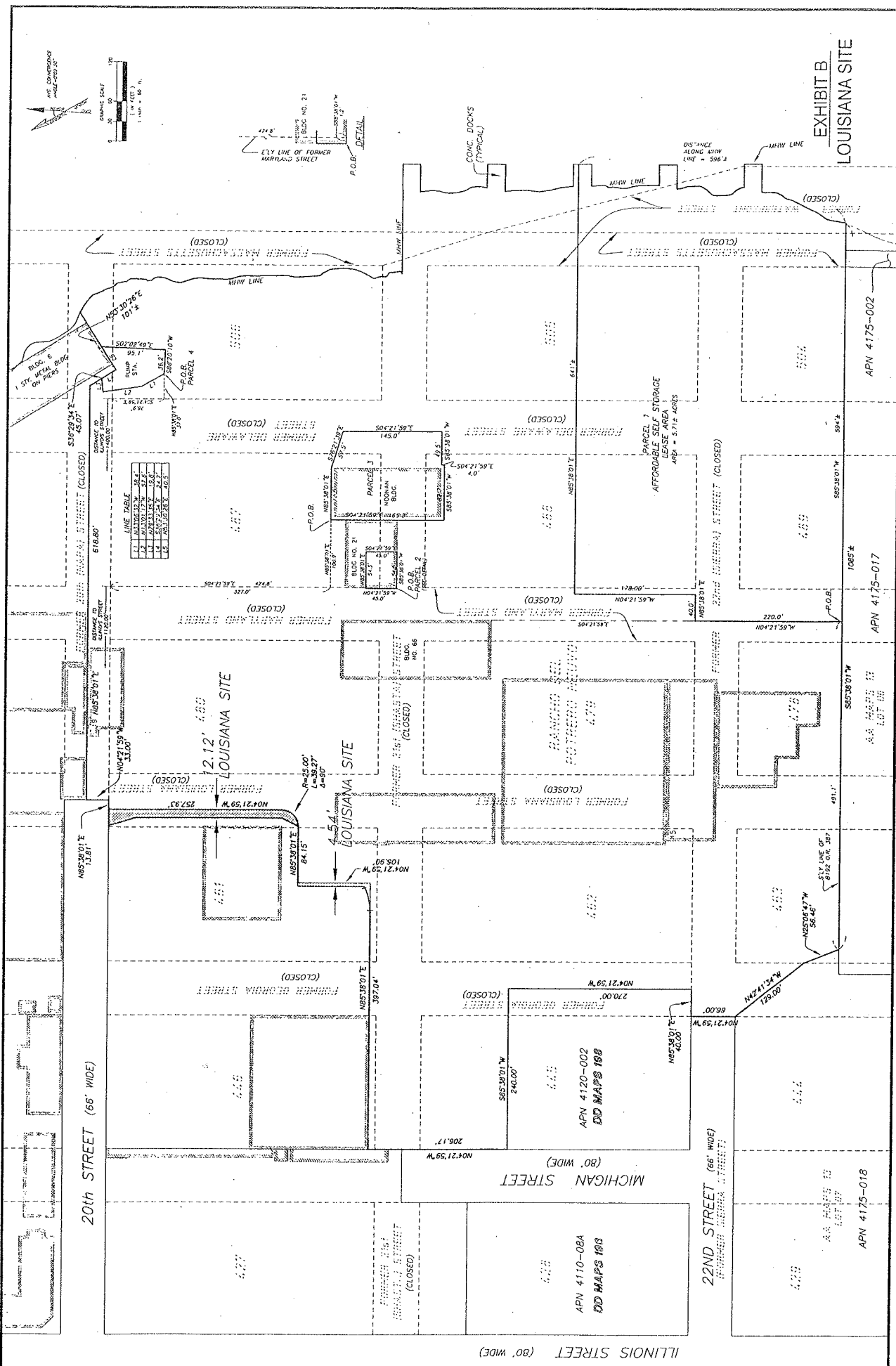
FORMER MASSACHUSETTS STREET  
(CLOSED)

FORMER MARYLAND STREET  
(CLOSED)

FORMER MASSACHUSETTS STREET  
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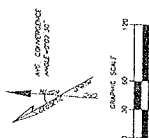
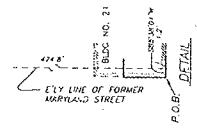
FORMER MARYLAND STREET  
(CLOSED)

EXHIBIT B  
LOUISIANA SITE



LINE TABLE

LINE NO.	DESCRIPTION	LENGTH	BEARING
1	...	...	...
2	...	...	...
3	...	...	...
4	...	...	...
5	...	...	...



VDDA EXHIBIT I & MASTER LEASE EXHIBIT C  
PARTIAL RELEASE OF MASTER LEASE

This document is exempt from payment of a recording fee pursuant to California Government Code Section 27383

**RECORDING REQUESTED BY AND WHEN RECORDED RETURN TO:**

Recorder's Stamp

APN:

**PARTIAL RELEASE OF MASTER LEASE**

This PARTIAL RELEASE OF MASTER LEASE (this "**Partial Release**"), dated for reference purposes only as of \_\_\_\_\_, 20\_\_\_\_ (the "**Reference Date**"), is made by the CITY AND COUNTY OF SAN FRANCISCO (the "**City**"), operating by and through the SAN FRANCISCO PORT COMMISSION ("**Port**"), as landlord, and FC PIER 70, LLC, a Delaware limited liability company ("**Tenant**" or "**Master Developer**"), with reference to the following facts and circumstances:

A. Tenant and the Port entered into that certain Master Lease, dated for reference purposes as of [\_\_\_\_\_] (as amended and as may be further amended from time to time, the "**Master Lease**"). In accordance with [Section 43.10] of the Master Lease, a Memorandum of Lease was recorded in the Official Records of the City and County of San Francisco ("**Official Records**") on [\_\_\_\_\_] as Document No. [\_\_\_\_\_]. All capitalized terms used but not defined herein shall have the meanings assigned to them in the Master Lease.

B. Tenant and Port also entered into that certain Development and Disposition Agreement, dated for reference purposes as of [\_\_\_\_\_] (as amended and as may be further amended from time to time, the "**DDA**") pursuant to which Tenant, as the master developer of the 28-Acre Site, will perform certain obligations, including the construction of Horizontal Improvements. The DDA was recorded in the Official Records on [\_\_\_\_\_] as Document No. [\_\_\_\_\_]. Tenant, as master developer of the 28-Acre Site, is sometimes referred to as the Master Developer in the Master Lease.

C. [add for Development Parcel conveyances only] Port and [\_\_\_\_\_] a [\_\_\_\_\_] ("**Vertical Developer**") entered into that certain Vertical Disposition and Development Agreement dated for reference purposes as of [\_\_\_\_\_] (as amended from time to time, the "**Vertical DDA**") for the Development Parcel more particularly described in *Exhibit A-1* and shown on the map attached hereto as

**VDDA EXHIBIT I & MASTER LEASE EXHIBIT C  
PARTIAL RELEASE OF MASTER LEASE**

*Exhibit A-2* (the “**Development Parcel**”). Port is obligated to convey the Development Parcel to the Vertical Developer upon satisfaction or waiver of various conditions, all of which have either been satisfied by Vertical Developer or waived by Port as of the date hereof. In order for Port to convey the Development Parcel to the Vertical Developer, the Development Parcel must first be released from the Premises. **Master Lease Section 1.1(b)(i)** provides that Port and Tenant will execute and record a Partial Release of Master Lease for that portion of the Premises consisting of the Development Parcel in order to effectuate the Vertical DDA applicable to such Development Parcel. The Parties now desire to release the Development Parcel from the Premises (the “**Release Parcel**”). Accordingly, the Parties wish to enter into this Partial Release and record the same in the Official Records.

C. *[use if the Release Parcel is a Park Parcel or contains Phase Improvements or Deferred Infrastructure that has been Accepted by the Port Commission per DDA Section 15.8(a), (b) and (c), where all Horizontal Improvements within the Release Parcel are Accepted]* **Master Lease Section 1.1(b)(ii)** provides that Port and Tenant will execute and record a Partial Release of Master Lease for that portion of the Premises on which Tenant has constructed Horizontal Improvements that have been accepted by Port or other City Agencies, as applicable, in accordance with **DDA Section 15.8** (Acceptance of Park Parcels and Phase Improvements) and **DDA Section 15.9** (Acceptance of Other Horizontal Improvements). By *[insert Port resolution No. \_\_\_\_\_, dated \_\_, 20XX]*, a copy of which is attached hereto as *Exhibit B*, Port Accepted the Park Parcels and Phase Improvements described in Resolution No. \_\_\_\_ that are contained within that portion of the Premises described in *Exhibit A-1* and shown on the map attached hereto as *Exhibit A-2* (the “**Release Parcel**”), and authorized the Port Executive Director or her designee to sign and record this Partial Release after satisfaction of all conditions required by the Port Commission for acceptance. All conditions to Resolution No. \_\_\_\_ have been satisfied. Accordingly, the Parties wish to enter into this Partial Release and record the same in the Official Records.

C. *[use if the Release Parcel is a Park Parcel or contains Phase Improvements or Deferred Infrastructure that has been Accepted by the Port Commission but the Release Parcel also contains other Horizontal Improvements that have not yet been Accepted per DDA 15.8(d)]* **Master Lease Section 1.1(b)(ii)** provides that Port and Tenant will execute and record a Partial Release of Master Lease for that portion of the Premises on which Tenant has constructed Horizontal Improvements that have been accepted by Port or other City Agencies, as applicable, in accordance with **DDA Section 15.8** (Acceptance of Park Parcels and Phase Improvements) and **DDA Section 15.9** (Acceptance of Other Horizontal Improvements). By *[insert Port resolution No. \_\_\_\_\_, dated \_\_, 20XX]*, a copy of which is attached hereto as *Exhibit B*, Port Accepted the Park Parcels and/or Phase Improvements described in Resolution No. \_\_\_\_ (collectively, the “**Port Acceptance Items**”). The Port Acceptance Items affect that portion of the Premises described in *Exhibit A-1* and shown on the map attached hereto as *Exhibit A-2* (the “**Release Parcel**”). The Release Parcel includes sub-surface improvements for which the City has not yet accepted ownership[, as more particularly described in Port Resolution No. \_\_\_\_]. Tenant will continue to own such sub-surface improvements until they are accepted by the City (“**Unreleased Portion**”). The Unreleased Portion is described in *Exhibit A-3* and shown on the map attached hereto as *Exhibit A-2*. As required under **DDA Section 15.8(d)**, the Port



**VDDA EXHIBIT I & MASTER LEASE EXHIBIT C  
PARTIAL RELEASE OF MASTER LEASE**

Commission conditioned its Acceptance of the Port Acceptance Items on the Tenant entering into an agreement under which Port grants to Tenant a right-of-entry upon the Release Parcel for maintenance, repair and inspection purposes and Tenant retains ownership and liability for the sub-surface improvements until such time as the sub-surface improvements are formally accepted by the City. Such condition having been satisfied, the Port Executive Director or her designee is authorized by Resolution No. \_\_\_\_\_ to sign and record this Partial Release.

C. *[use if all Horizontal Improvements within the Release Parcel have been Accepted by the Board of Supervisors per DDA Section 15.9. There are no other Horizontal Improvements within the Release Parcel that need Acceptance]* Master Lease Section 1.1(b)(ii) provides that Port and Tenant will execute and record a Partial Release of Master Lease for that portion of the Premises on which Tenant has constructed Horizontal Improvements that have been accepted by Port or other City Agencies, as applicable, in accordance with **DDA Section 15.8** (Acceptance of Park Parcels and Phase Improvements) and **DDA Section 15.9** (Acceptance of Other Horizontal Improvements). By **[insert Board of Supervisors Motion No. \_\_\_\_\_, dated \_\_, 20XX]**, a copy of which is attached hereto as *Exhibit B*, the City Accepted all Horizontal Improvements **[add if applicable: including Utility Infrastructure]** that are described in Motion No. \_\_\_ and contained within that portion of the Premises described in *Exhibit A-1* and shown on the map attached hereto as *Exhibit A-2* (the "Release Parcel"). Accordingly, the Parties wish to enter into this Partial Release and record the same in the Official Records.

C. *[use if the Release Parcel contains Horizontal Improvements that have been Accepted by the Board of Supervisors per DDA Section 15.9 but the Release Parcel also contains other Horizontal Improvements that have not yet been Accepted]* Master Lease Section 1.1(b)(ii) provides that Port and Tenant will execute and record a Partial Release of Master Lease for that portion of the Premises on which Tenant has constructed Horizontal Improvements that have been accepted by Port or other City Agencies, as applicable, in accordance with **DDA Section 15.8** (Acceptance of Park Parcels and Phase Improvements) and **DDA Section 15.9** (Acceptance of Other Horizontal Improvements). By **[insert Board of Supervisors Motion No. \_\_\_\_\_, dated \_\_, 20XX]**, a copy of which is attached hereto as *Exhibit B*, the City Accepted certain Horizontal Improvements **[add if applicable: including Utility Infrastructure]** that is described in Motion No. \_\_\_ and contained within that portion of the Premises described in *Exhibit A-1* and shown on the map attached hereto as *Exhibit A-2* (the "Release Parcel"). The Release Parcel includes Horizontal Improvements for which the City has not yet accepted ownership. Tenant will continue to own such Horizontal Improvements until they are accepted by the City ("Unreleased Portion"). The Unreleased Portion is described in *Exhibit A-3* and shown on the map attached hereto as *Exhibit A-2*. As a condition to the Acceptance, Motion No. \_\_\_\_\_ required Tenant to provide the applicable City Agency with access rights in accordance with the Master Lease, and warranties covering the accepted improvements for a period of time as specified in the conditions to acceptance and thereafter, under the applicable Public Improvement Agreement. The Parties wish to enter into this Partial Release and record the same in the Official Records.

**VDDA EXHIBIT I & MASTER LEASE EXHIBIT C  
PARTIAL RELEASE OF MASTER LEASE**

D. By recording this Partial Release, the Parties seek to notify third parties that the Premises described in the Master Lease will be [further] adjusted by the release of the Release Parcel [less the Unreleased Portion].

**NOW THEREFORE**, in consideration of the foregoing facts, understandings and agreements, the Parties agree as follows:

**AGREEMENT**

1. In accordance with Section [*1.1(b)(i) (Development Parcels)*] or [*1.1(b)(ii) (Horizontal Improvement Parcels)*] of the Master Lease, Port and Tenant hereby release as of the date hereof, the Release Parcel [less the Unreleased Portion] from the Master Lease and as of the date hereof, the “**Premises**” under and as defined in the Master Lease will be adjusted to exclude the Release Parcel [other than the Unreleased Portion that remains a part of the Premises].

2. Other than the adjustment of the Premises as set forth in this Partial Release, all other terms and conditions of the Master Lease remain unchanged.

*[Signature appears on following page]*

VDDA EXHIBIT I & MASTER LEASE EXHIBIT C  
PARTIAL RELEASE OF MASTER LEASE

IN WITNESS WHEREOF, Port and Tenant have executed this Release as of the day and year first above written.

Tenant

FC PIER 70, LLC, a Delaware limited liability company

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Port

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

By: \_\_\_\_\_

APPROVED AS TO FORM:

DENNIS J. HERRERA, City Attorney

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

VDDA EXHIBIT I & MASTER LEASE EXHIBIT C  
PARTIAL RELEASE OF MASTER LEASE

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California                    )  
County of \_\_\_\_\_)

On \_\_\_\_\_ before me, \_\_\_\_\_, a Notary Public, personally appeared \_\_\_\_\_, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature \_\_\_\_\_ (Seal)

VDDA EXHIBIT I & MASTER LEASE EXHIBIT C  
PARTIAL RELEASE OF MASTER LEASE

EXHIBIT A-1

Legal Description of Release Parcel

Real property in the City of San Francisco, County of San Francisco, State of California,  
described as follows:

[\_\_\_\_\_]

VDDA EXHIBIT I & MASTER LEASE EXHIBIT C  
PARTIAL RELEASE OF MASTER LEASE

EXHIBIT A-2

Site Map of Release Parcel [and Unreleased Portion]

[see attached]

[EXHIBIT A-3]

Legal Description of Unreleased Portion

Real property in the City of San Francisco, County of San Francisco, State of California,  
described as follows:

[\_\_\_\_\_]

## EXHIBIT D

### RENT

#### 3. RENT.

##### 3.1 *Payment of Percentage Rent.*

(a) Tenant will pay to Port from and after the Commencement Date and throughout the Term, participation rent equal to one hundred percent (100%) of Net Income generated at or from the Premises ("**Percentage Rent**") in accordance with **Section 3.1(b)**. Port will apply one hundred percent (100%) of the Percentage Rent as "**Land Proceeds**" as provided under Section 1.6 of the Financing Plan.

(b) Tenant will in good faith estimate the Percentage Rent payable to Port for each calendar quarter and pay such estimate in advance by the first day of each calendar quarter (i.e. January 1, April 1, July 1 and October 1). From and after the Commencement Date, Tenant will determine the actual Percentage Rent payable for each calendar month in each calendar quarter during the Term by the twentieth (20th) day of the immediately following calendar quarter and Port will apply such amounts as "**Land Proceeds**" as provided under Section 1.6 of the Financing Plan, calculated as if such Percentage Rent for each calendar month had been applied monthly rather than quarterly. In the event this Lease expires or terminates on a day other than the last day of a calendar quarter, Percentage Rent for such fractional part of the calendar quarter preceding such expiration or termination date will be prorated to account for the partial calendar quarter and paid within twenty (20) days after such expiration or termination date, but if this Lease terminates as a result of an Event of Default, any amounts due hereunder will be payable immediately upon termination.

##### 3.2 *Additional Definitions.*

"**Adjustments**" mean (without duplication and provided they are not included in any Soft Costs or other costs entitled to a developer return under the DDA or Financing Plan) all reasonable actual out of pocket third party costs associated with the use of the Premises for Ancillary Permitted Uses, such as payment to special events managers and other Permitted Uses.

"**Gross Income**" means for any reporting period or portion thereof during the Term, the following: all payments, revenues, fees or amounts received by Tenant or by any other party for the account of Tenant from any Person for any Person's use or occupancy of any portion of the Premises (excluding security or other deposits to be returned to such Person upon the termination of such use or occupancy), or from any other sales, advertising, concessions, licensing or programming generated from the Premises, including, without limitation, all base rent, percentage rent, payments made to Tenant from any Subtenant to reimburse Tenant for operating expenses, common area maintenance expenses, insurance expenses, Impositions, or, in the case of tenant improvements and finishes to prepare portions of the Premises for occupancy or use by such Subtenant, license fees, parking charges, advertising revenues, event or promotional fees, charges and permit fees. Without limiting the foregoing, "**Gross Income**" does not include payments of insurance proceeds to or for the benefit of Tenant, except any and all payments made to Tenant from the Business Interruption or delayed opening insurance proceeds, and insurance proceeds from any Casualty that were not used for the repair or restoration of any Improvements or Horizontal Improvements after a Casualty, which shall be included as "**Gross Income**".

"**Minimum Parking Revenues**" means an amount equal to sixty-six percent (66%) of an amount equal to (i) gross parking revenues generated from all parking lot or parking operations within the Premises, less (ii) parking taxes and reasonable actual costs associated with the maintenance and repair of surface parking lots such as re-paving and striping costs.

"Net Income" means (i) Gross Income from sources other than gross parking revenues, less Adjustments, plus (ii) Minimum Parking Revenues.

### 3.3. **Reporting of Percentage Rent.**

(a) Tenant will deliver to Port a complete statement setting forth in reasonable detail its Net Income for each calendar month in each calendar quarter, including an itemized list of all Adjustments from Gross Income that Tenant claims and which are expressly permitted under this Lease, and a computation of the Percentage Rent for each calendar month in a calendar quarter (the "**Percentage Rent Statement**") by the twentieth (20th) day of the immediately following calendar quarter. A financial officer or other accountant employed by Tenant who is authorized and competent to prepare such Percentage Rent Statement must certify each Percentage Rent Statement as accurate, complete and current.

(b) If Port receives the Percentage Rent payment but does not receive the applicable Percentage Rent Statement by the twentieth (20th) day of the immediately following calendar quarter, such failure, until cured, will be treated as a late payment of Percentage Rent, subject to a Late Charge.

(c) If Tenant fails to deliver any Percentage Rent Statement within the time period set forth in this Section 3.3 (irrespective of whether any Percentage Rent is actually paid or payable by Tenant to Port) and such failure continues for thirty (30) days after the date Port delivers to Tenant written notice of such failure, Port will have the right, among its other remedies under this Lease, to have a Port Representative examine Tenant's Books and Records (and, to the extent permitted by the applicable Sublease, the Books and Records of any other occupant or user of the Premises) as may be necessary to determine the amount of Percentage Rent due to Port for the period in question. The determination made by Port Representative will be binding upon Tenant, absent manifest error, and Tenant will promptly pay to Port the total cost of the examination, together with the full amount of Percentage Rent due and payable for the period in question, including any Late Charge and interest at the Default Rate.

3.4 **Books and Records.** Tenant will keep books and records according to generally accepted accounting principles consistently applied or such other method as is reasonably acceptable to Port. "Books and Records" means all of Tenant's books, records, and accounting reports or statements relating to this Lease and the operation and maintenance of the Premises, including, without limitation, cash journals, rent rolls, general ledgers, income statements, bank statements, income tax schedules relating to the Property, and any other bookkeeping documents Tenant utilizes in its business operations for the Premises. Tenant will maintain a separate set of accounts, including bank accounts, to allow a determination of expenses incurred and revenues generated directly from the Premises. If Tenant operates all or any portion of the Premises through a Subtenant or Agent (other than Port), Tenant will cause such Subtenant or Agent to adhere to the foregoing requirements regarding books, records, accounting principles and the like.

3.5 **Audit.** Tenant agrees to make its Books and Records (and, to the extent within Tenant's control, the Books and Records of any other person relating to the calculation of Percentage Rent) available in the City and County of San Francisco to Port, or to any accountant employed or retained by Port or the City who is competent to examine and audit the Books and Records (hereinafter collectively referred to as "**Port Representative**"), for the purpose of examining said Books and Records to determine the accuracy of Tenant's reporting of Gross Income or Net Income, for a period of five (5) years after the applicable Percentage Rent Statement was delivered to Port. Tenant will reasonably cooperate with Port Representative during the course of any audit; provided however, once commenced, such audit will be diligently pursued to completion by Port within a reasonable time after its commencement. If an audit has commenced and Port claims that errors or omissions have occurred, Tenant will retain the Books and Records and make them available until those matters are resolved.



If an audit reveals that Tenant has understated its Gross Income or Net Income for said audit period, Tenant will pay Port, within fifteen (15) days after receipt of such audit results, the difference between the amount Tenant has paid and the amount it should have paid to Port, plus interest at the Default Rate from and after the date of understatement. If Tenant understates its Gross Income for any audit period by five percent (5%) or more of Tenant's understated amount, Tenant will pay Port's cost of the audit. Any overpayments revealed by an audit will be credited towards Rent payments due subsequent to the audit until credited in full.

3.6 **Manner of Payment.** Percentage Rent will be applied by Port as a credit toward Land Proceeds in accordance with the Financing Plan. Tenant will pay all other Rent to Port in lawful money of the United States of America at the address for notices to Port specified in this Lease, or to such other Person or at such other place as Port may from time to time designate by notice to Tenant. Percentage Rent is payable without prior notice or demand. Rent is due and payable at the times provided in this Lease, provided that if no date for payment is otherwise specified, or if payment is stated to be due "upon demand," "promptly following notice," "upon receipt of invoice," or the like, then such Additional Rent is due thirty (30) days following the giving by Port and the receipt by Tenant of such demand, notice, invoice or the like to Tenant specifying that such sum is presently due and payable.

3.8 **Interest on Delinquent Rent.** Rent not paid when due (or in the case of Percentage Rent, if not reported when due or applied when due) will bear interest from the date due until paid (or, for Percentage Rent, when reported or when applied) at an annual interest rate equal to the greater of (i) ten percent (10%) or (ii) five percent (5%) in excess of the Prime Rate that is in effect as of the date payment is due (the "Default Rate"). However, interest will not be payable on Late Charges incurred by Tenant or to the extent such payment would violate any applicable usury or similar law. Payment of interest will not excuse or cure any default by Tenant.

3.9 **Late Charge.** Tenant acknowledges and agrees that late payment by Tenant to Port of Rent, or Tenant's failure to provide the Percentage Rent Statement to Port, will cause Port increased costs not contemplated by this Lease. The exact amount of such costs is extremely difficult to ascertain. Such costs include processing and accounting charges. Accordingly, without limiting any of Port's rights or remedies hereunder and regardless of whether such late payment results in an Event of Default, Tenant will pay a late charge (the "Late Charge") equal to the higher of (a) five percent (5%) of all Rent or any portion thereof which remains unpaid more than five (5) days following the date it is due (or with respect to a failure by Tenant to deliver the Percentage Rent Statement to Port within five (5) days following the date it is due, five percent (5%) of Percentage Rent due for the subject period of the Percentage Rent Statement), or (b) One Thousand Dollars (\$1,000)], which amount will be increased by an additional One Thousand Dollars (\$1,000) on the tenth (10th) anniversary of the Commencement Date and every ten (10) years thereafter; provided, however, Tenant will not be subject to a Late Charge more than once every calendar year if Tenant pays the unpaid Rent or delivers the Monthly Statement to Port, as applicable, within five (5) days of written notice from Port of such failure. The Parties agree that the Late Charge represents a fair and reasonable estimate of the cost that Port will incur by reason of a late payment by Tenant.

3.10 **No Abatement or Setoff.** Tenant will pay all Rent at the times and in the manner provided in this Lease without any abatement, setoff, credit, deduction, or counterclaim.

3.11 **Net Lease.** It is the purpose of this Lease and intent of Port and Tenant that all Rent is absolutely net to Port, so that this Lease yields to Port the full amount of Rent at all times during the Term, without deduction, abatement or offset. Under no circumstances, whether now existing or hereafter arising, and whether or not beyond the present contemplation of the Parties is Port expected or required to incur any expense or make any payment of any kind with respect to this Lease or Tenant's use or occupancy of the Premises. Without limiting the foregoing, Tenant is solely responsible for paying each item of cost or

expense of every kind and nature whatsoever, the payment of which Port would otherwise be or become liable by reason of Port's estate or interests in the Premises, any rights or interests of Port in or under this Lease, or the ownership, leasing, operation, management, maintenance, repair, rebuilding, remodeling, use or occupancy of the Premises, or any portion thereof. No occurrence or situation arising during the Term, or any Law, whether foreseen or unforeseen, and however extraordinary, relieves Tenant from its liability to pay all of the sums required by any of the provisions of this Lease, or otherwise relieves Tenant from any of its obligations under this Lease, or except as set forth in this Lease, gives Tenant any right to terminate this Lease in whole or in part. Tenant waives any rights now or hereafter conferred upon it by any Law to terminate this Lease or to receive any abatement, diminution, reduction or suspension of payment of such sums, on account of any such occurrence or situation, provided that such waiver will not affect or impair any right or remedy expressly provided Tenant under this Lease.

3.12 **Survival.** Tenant's obligation to pay any unpaid Rent due and payable will survive the expiration or earlier termination of this Lease.

Master Lease Exhibit E

Permitted Title Exceptions

In reference to: Chicago Title Company's 9th Amended Proforma attached hereto as *Attachment I*.

<u>Schedule B:</u>	<u>Document Description and Recording Data</u>	<u>Overview</u>	<u>Master Lease</u>
3.	Mello Roos Community Facilities District.	Any special taxes/assessments will only affect the Property post-closing. There are no special taxes/assessments currently due on the Property because it is held by the City and County of San Francisco.	Permitted Exception
4.	Supplemental Taxes	Approved, subject to Title Company adding the phrase <i>"resulting from changes of ownership or completion of new construction occurring after the date of this policy."</i>	Permitted Exception
5.	Any adverse claim based upon the assertion that some portion of the land is tide or submerged lands.	To be eliminated after trust exchange.	Permitted Exception
6.	Any adverse claim based upon the assertion that any portion of said land was not tideland that was available for disposition by the State of California.	To be eliminated after trust exchange.	Permitted Exception
7.	Rights and Easements for Commerce, Navigation and Fishery.	To be eliminated after trust exchange.	Permitted Exception

<u>Schedule B:</u>	<u>Document Description and Recording Data</u>	<u>Overview</u>	<u>Master Lease</u>
9.	Easement recorded November 26, 1940 in Book 3689, Page 185.	An easement from the Columbia Steel Company ("Grantor") to the City and County of San Francisco ("Grantee") for the purpose of the construction, maintenance and operation of sewers and all appurtenances.	Permitted Exception
10.	Covenants, Conditions and Restrictions appearing in a Quitclaim Deed recorded November 13, 1967 at 26523 in Book B192, Page 384.	<p>Quitclaim from the United States of America ("Grantor") to the State of California acting through the San Francisco Port Authority ("Grantee").</p> <p>Said quitclaim deed is subject to the following:</p> <p>Subject to rights of way, restrictions, reservations and easements now existing or of record.</p> <p>Together with all and singular the tenements, hereditaments and appurtenances thereunto belonging, or in anywise appertaining, and the reversion and reversions, remainder and remainders, rents, issues and profits thereof, and also all the estate, right, title, interest, property possession, claim and demand whatsoever, in law as well as equity, of the Grantor of, in or to the described premises and every part and parcel thereof, with the appurtenances.</p> <p>Together with those items of personal property presently located at the said Department Reserve Plant, DOD #46, 20<sup>th</sup> and Illinois Streets, San Francisco, CA. [Note: Those items of personal property are listed on Exhibit A attached to the document.]</p> <p>It is the intention of the Grantor to convey to the Grantee all real property, personal property and improvements of whatsoever</p>	Permitted Exception

<u>Schedule B:</u>	<u>Document Description and Recording Data</u>	<u>Overview</u>	<u>Master Lease</u>
		<p>nature owned by the Grantor and located at the facility known as Departmental Reserve Plant, DOD #46, 20<sup>th</sup> and Illinois Streets, San Francisco, CA.</p> <p>Said property transferred was duly determined to be surplus pursuant to the General Services Administration for disposal pursuant to the Federal Property and Administrative Services Act of 19489 (63 Stat. 377).</p>	
11.	<p>Conditions, restrictions, Easements, Reservations and Limitations and Rights, Powers, Duties and Trust contained in the Legislative Grants and by law as to the land or any portion thereof acquired by the City and County of San Francisco, by Chapter 1333 of the Statues of 1968, as amended by Chapters 1296 and 1400, Statutes of 1969 and by Chapter 670, Statutes of 1970, and Chapter 1253, Statues of 1971, and as may be further amended, and such Reversionary Rights and Interest as may be possessed by the State of California under the terms and provisions of said Legislative Grants, or by law.</p>	<p>To be eliminated after trust exchange.</p>	<p>Permitted Exception</p>

<u>Schedule B:</u>	<u>Document Description and Recording Data</u>	<u>Overview</u>	<u>Master Lease</u>
12.	Agreement Relating to Transfer of the Port of San Francisco from the State of California to the City and County of San Francisco recorded January 30, 1969 at R40413 in Book B308, Page 686.	Document sets forth the terms and conditions and obligations by and between the City and County of San Francisco (the "City") and the Director of Finance of the State of California acting for and on behalf of the State of California, and assisted by the Secretary for Agriculture and Services of the State of the State of California and the San Francisco Port Authority relating to the Transfer of the Port property to the City from the State of California.  To be eliminated upon trust exchange.	Permitted Exception
13.	Judgment Quieting Title, San Francisco Superior Court Case No. 401394, recorded April 16, 1954 at C63570 in Book 6359, Page 235.	The People of the State of California vs. The Bethlehem Pacific Coast Steel Corporation et al.	Permitted Exception
15	Permit recorded July 25, 1967 at Q4404 in Book B162, Page 939.	Revocable permit granted by the Department of Public Works to Bethlehem Steel Corp. for the construction and maintenance of a private force main in 20th Street to serve Blocks 4111 and 4046. Permit is conditioned on a 12,000-gallon per day maximum daily flow rate, and a 150-gallon per minute maximum flow rate.	Permitted Exception
16.	Corporation Grant Deed recorded on December 16, 1982 at D275576	A Grant Deed from Bethlehem Steel Corporation to the City and County of San Francisco.	Permitted Exception

<u>Schedule B:</u>	<u>Document Description and Recording Data</u>	<u>Overview</u>	<u>Master Lease</u>
	in Book D464, Page 628.	<p>Conveyance is subject to liens for general and special county and city taxes for the fiscal year July 1, 1982, to June 30, 1983.</p> <p>All subject to all easements, covenants, conditions and restrictions of record.</p> <p>Further subject to any matters that could be ascertained by an up-to-date survey, by making inquiry of persons in possession or by an inspection of the real property.</p> <p>All subject to rights and easements for commerce, navigation, and fishery in favor of the public or federal or state governments.</p> <p>Subject, further, to the effect of the following unrecorded instrument: Grant of Right of Way dated September 30, 1966, from Bethlehem Steel Corporation to the United States of America.</p>	
17.	Street Encroachment Agreement recorded on July 6, 1976 at Z01074 in Book C196, Page 780.	<p>The City and County of San Francisco Department of Public Works granted a Street Encroachment Permit to Bethlehem Steel Company affecting Block 4046, Lot 1; Blk. 4110, Lot 1 &amp; Blk. 4111, Lot 2 located on both sides of 20th Street east of Illinois Street.</p> <p>Encroachment affects a fence and curbside parking area with 35 foot wide unrestricted access on 20th Street.</p>	Permitted Exception
24.	Covenant and Environmental Restriction on Property recorded August 19, 2016 as Inst. No. 2016-K308328-00.	The Covenant and Environmental Restriction on property (the "Covenant") affects the property consisting of Seawall Lot 349, Seawall Lot 345 (portion), Assessors Block 4110 (portion) and Twentieth Street (portion), generally	Permitted Exception to the extent it affects the Property

<u>Schedule B:</u>	<u>Document Description and Recording Data</u>	<u>Overview</u>	<u>Master Lease</u>
		<p>bounded by Mariposa Street, Illinois Street and 22<sup>nd</sup> Street (the "Property").</p> <p>The Covenant was made by the City and County of San Francisco ("Covenantor") for the benefit of the California Regional Water Quality Control Board for the San Francisco Bay Region (the "Water Board").</p> <p>The Property and groundwater underlying the property contains hazardous material as defined in California Health &amp; Safety Code Section 25260. Subdivision (d).</p> <p>Covenantor promises to restrict the use of the Property as follows:</p> <ul style="list-style-type: none"> <li>a. Use of native soil for growing produce for human consumption shall not be permitted on the Property;</li> <li>b. Uses involving regular exposure to native soil shall not be permitted on the Property;</li> <li>c. No hospital shall be permitted on the Property;</li> <li>d. No Owners or Occupants of the Property or any thereof shall conduct any excavation work on the Property, except in accordance with the July 25, 2013 Risk Management Plan prepared by Treadwell &amp; Rollo, Inc. (the "RMP").</li> <li>e. All uses, maintenance and development of the Property shall comply with the RMP at all times, including but not limited to: restoring and subsequently maintaining the integrity of any pavement or other surface described in the RMP capable of preventing exposure to the underlying soil (the "Durable Cover")</li> </ul>	



<u>Schedule B:</u>	<u>Document Description and Recording Data</u>	<u>Overview</u>	<u>Master Lease</u>
		<p>following any construction, remedial measures taken, or remedial equipment installed on the Property pursuant to the requirements of the Water Board and/or the RMP, unless otherwise expressly permitted in writing by the Water Board's Executive Officer.</p> <p>f. Except for the dewatering during construction activities, no Owners or Occupants of the Property shall drill, bore, otherwise construct, or use a well for the purpose of extracting ground water for any use.</p> <p>g. The Owner shall notify the Water Board of each of the following when not performed in compliance with the RMP or any Water Board approved work plans: (1) The type, cause, location and date of any disturbance to the Durable Cover, any remedial measures taken or remedial equipment installed, and of the groundwater monitoring system installed on the Property pursuant to the requirements of the Water Board, which could affect the ability of the Durable Cover or remedial measures, remedial equipment, or monitoring system to perform their respective functions and (2) the type and date of repair of such disturbance.</p> <p>h. The Covenantor, all Owners and Occupants agree that the Water Board shall have reasonable access to the Property for the purposes of inspection, surveillance, maintenance, or monitoring, as provided for in Division 7 of the Water Code.</p> <p>i. No Owner or Occupant of the Property shall act in any manner</p>	

<u>Schedule B:</u>	<u>Document Description and Recording Data</u>	<u>Overview</u>	<u>Master Lease</u>
		<p>that will aggravate or contribute to the existing environmental conditions of the Property.</p> <p>Unless terminated the covenant shall continue in effect in perpetuity.</p>	
25.	<p>Any right, title or interest by reason of the record title to said Land not having been established and quieted under the provisions of the "Destroyed Land Records Relief Act of 1906, as Amended," commonly known as the "McEnerney Act".</p>	<p>Title Company will require evidence that a McEnerney Judgement was filed on the property. Title may offer an endorsement to the title policy if no McEnerney judgment is found.</p>	Permitted Exception
27.	<p>Easement(s) for the purpose(s) shown below and rights incidental thereto, as set forth in the Master Lease upon the terms and conditions set forth therein.</p>	<p>Granting to the Port ingress and egress to and from Parcel 1 (Affordable Self-Storage), Parcel 2 (Portion of Building 21), Parcel 3 (Building No. 11 Site) and Parcel 4 (Pump Station), as shown on Exhibit B of the Master Lease.</p>	Permitted Exception
28.	<p>Development Agreement, dated May 2, by and between the City and County of San Francisco, a political subdivision and municipal corporation of the State of California, and FC Pier 70, LLC, a Delaware limited liability company</p>	<p>Governing certain rights and obligations of the parties for the development of the 28-acre Site</p>	Permitted Exception

<u>Schedule B:</u>	<u>Document Description and Recording Data</u>	<u>Overview</u>	<u>Master Lease</u>
29.	Disposition and Development Agreement dated as of May 2, 2018, between the City and County of San Francisco, a municipal corporation and charter city, acting by and through the San Francisco Port Commission, and FC Pier 70, LLC, a Delaware limited liability company	Governing certain rights and obligations of the parties for the disposition and development of the 28-acre Site	Permitted Exception.

Attachment 1  
Chicago Title Company 9th Amended Proforma

**CLTA STANDARD COVERAGE POLICY OF TITLE INSURANCE**

Policy Number:

Issued By:



CHICAGO TITLE INSURANCE COMPANY

**9th AMENDED  
PROFORMA**

SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE EXCEPTIONS FROM COVERAGE CONTAINED IN SCHEDULE B AND THE CONDITIONS AND STIPULATIONS, CHICAGO TITLE INSURANCE COMPANY, a Nebraska corporation, herein called the Company, insures, as of Date of Policy shown in Schedule A, against loss or damage, not exceeding the Amount of Insurance stated in Schedule A, sustained or incurred by the insured by reason of:

1. Title to the estate or interest described in Schedule A being vested other than as stated therein;
  2. Any defect in or lien or encumbrance on the title;
  3. Unmarketability of the title;
  4. Lack of a right of access to and from the land;
- and in addition, as to an insured lender only:
5. The invalidity or unenforceability of the lien of the insured mortgage upon the title;
  6. The priority of any lien or encumbrance over the lien of the insured mortgage, said mortgage being shown in Schedule B in the order of its priority;
  7. The invalidity or unenforceability of any assignment of the insured mortgage, provided the assignment is shown in Schedule B, or the failure of the assignment shown in Schedule B to vest title to the insured mortgage in the named insured assignee free and clear of all liens.

The Company will also pay the costs, attorneys' fees and expenses incurred in defense of the title or the lien of the insured mortgage, as insured, but only to the extent provided in the Conditions and Stipulations.

IN WITNESS WHEREOF, CHICAGO TITLE INSURANCE COMPANY has caused this policy to be signed and sealed by its duly authorized officers.

**Chicago Title Insurance Company**

By:

\_\_\_\_\_  
President

**Chicago Title Company  
2150 John Glenn Drive, Suite 300  
Concord, CA 94520**

Countersigned By:



Attest:

\_\_\_\_\_  
Secretary

**PROFORMA**

\_\_\_\_\_  
Authorized Officer or Agent

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SCHEDULE A

Date of Policy	Amount of Insurance	Premium
PROFORMA	\$47,500,000.00	PROFORMA

1. Name of Insured:

FC Pier 70, LLC, a Delaware limited liability company

2. The estate or interest in the land which is covered by this policy is:

A Leasehold as created by that certain lease dated \_\_\_\_\_, 2018 by and between THE CITY AND COUNTY OF SAN FRANCISCO, operating by and through the SAN FRANCISCO PORT COMMISSION, as Lessor, and FC PIER 70, LLC, a Delaware limited liability company, as Lessee, as referenced in the document entitled Memorandum of Lease which was recorded \_\_\_\_\_, 2018 under Instrument No. \_\_\_\_\_, of Official Records, for the term, upon and subject to all the provisions contained in said document, and in said lease.

3. Title to the estate or interest in the land is vested in:

FC Pier 70, LLC, a Delaware limited liability company

4. The land referred to in this policy is described as follows:

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF

**THIS POLICY VALID ONLY IF SCHEDULE B IS ATTACHED**

**END OF SCHEDULE A**

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**EXHIBIT "A"**  
Legal Description

**For APN/Parcel ID(s): Lot 001, Block 4052 (Portion) and Lot 004, Block 4111 (Portion)**

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THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF SAN FRANCISCO, COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA AND IS DESCRIBED AS FOLLOWS:

BEING A PORTION PARCEL "A", AS SAID PARCEL IS SHOWN ON "MAP OF LANDS TRANSFERRED IN TRUST TO THE CITY AND COUNTY OF SAN FRANCISCO", FILED IN BOOK "W" OF MAPS, PAGES 66-72, AND FURTHER DESCRIBED IN THAT DOCUMENT RECORDED MAY 14, 1976, AS DOCUMENT NUMBER Y88210, IN BOOK C169, PAGE 573, OFFICIAL RECORDS, CITY AND COUNTY OF SAN FRANCISCO.

ALSO BEING BLOCKS 462, 479, 480, 487, 488, 505 AND PORTIONS OF BLOCKS 445, 446, 461, 463, 478, 489, 504 AND 506, AS SAID BLOCKS ARE SHOWN ON THAT MAP ENTITLED "RANCHO DEL POTRERO NUEVO", RECORDED MARCH 21, 1864 IN BOOK "C" AND "D" OF MAPS, PAGES 78 AND 79, OFFICE OF THE RECORDER, CITY AND COUNTY OF SAN FRANCISCO.

ALSO BEING A PORTION OF BOARD OF TIDE LAND COMMISSIONERS MAP ENTITLED, "MAP OF THE SALT MARSH AND TIDE LANDS AND LANDS LYING UNDER WATER SOUTH OF SECOND STREET AND SITUATE IN THE CITY AND COUNTY OF SAN FRANCISCO", ON FILE IN THE OFFICE OF THE STATE LANDS COMMISSION AND A DUPLICATE COPY FILED IN MAP BOOK "W", PAGES 46 AND 47, OFFICE OF THE RECORDER OF THE CITY AND COUNTY OF SAN FRANCISCO.

ALSO BEING A PORTION OF THE FOLLOWING CLOSED STREETS PER CITY RESOLUTIONS: GEORGIA STREET, LOUISIANA STREET, MARYLAND STREET, DELAWARE STREET, WATERFRONT STREET, 20<sup>TH</sup> STREET, 21<sup>ST</sup> STREET AND 22<sup>ND</sup> STREET, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT OF INTERSECTION OF THE NORTHERLY LINE OF 22<sup>ND</sup> STREET (66 FEET WIDE), THE WESTERLY LINE OF FORMER GEORGIA STREET (80 FEET WIDE), AS SAID STREET EXISTED PRIOR TO THE CLOSURE THEREOF, PER RESOLUTIONS No. 1759, DATED FEBRUARY 27, 1884, No. 10787, DATED MARCH 30, 1914 AND No. 1376, DATED OCTOBER 15, 1940 AND THE GENERAL WESTERLY LINE OF PARCEL 1 OF THAT PARCEL OF LAND DESCRIBED IN DEED GRANTED TO THE STATE OF CALIFORNIA, RECORDED NOVEMBER 13, 1967 IN BOOK B192, PAGE 384, OFFICIAL RECORDS (B192 O.R. 384), CITY AND COUNTY OF SAN FRANCISCO; THENCE ALONG THE NORTHERLY LINE OF FORMER 22<sup>ND</sup> STREET, AS SAID STREET EXISTED PRIOR TO THE CLOSURE THEREOF, PER RESOLUTION No. 1376, DATED OCTOBER 15, 1940 AND ALONG THE LINE OF SAID PARCEL 1 (B192 O.R. 384), NORTH 85°38'01" EAST 40.00 FEET TO THE CENTERLINE OF SAID FORMER GEORGIA STREET; THENCE ALONG SAID CENTERLINE AND LINE OF PARCEL 1 (B192 O.R. 384), NORTH 04°21'59" WEST 270.00 FEET TO THE MOST SOUTHEASTERLY CORNER OF PARCEL 2 OF THAT PARCEL OF LAND AS DESCRIBED IN GRANT DEED TO THE CITY AND COUNTY OF SAN FRANCISCO, RECORDED DECEMBER 16, 1982, AS DOCUMENT NO. D275576, IN BOOK D464, PAGE 628, OFFICIAL RECORDS (D464 O.R. 628), CITY AND COUNTY OF SAN FRANCISCO; THENCE ALONG THE SOUTHERLY AND WESTERLY LINES OF SAID PARCEL 2 (D464 O.R. 628), THE FOLLOWING TWO COURSES: SOUTH 85° 38'01" WEST 240.00 FEET TO THE EASTERLY LINE OF MICHIGAN STREET (80 FEET WIDE), AND ALONG SAID LINE OF MICHIGAN STREET NORTH 04° 21'59" WEST 206.17 FEET; THENCE NORTH 85°38'01"

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**EXHIBIT "A"**  
Legal Description

EAST 397.04 FEET; THENCE NORTH 04°21'59" WEST 106.90 FEET; THENCE NORTH 85°38'01" EAST 84.15 FEET; THENCE ALONG A TANGENT CURVE TO THE LEFT WITH A RADIUS OF 25.00 FEET, THROUGH A CENTRAL ANGLE OF 90° 00'00", AN ARC LENGTH OF 39.27 FEET; THENCE NORTH 04°21'59" WEST 257.93 FEET TO THE SOUTHERLY LINE OF 20<sup>TH</sup> STREET (66 FEET WIDE) AND THE NORTHERLY LINE OF SAID PARCEL 2 (D464 O.R. 628); THENCE ALONG SAID LINES, NORTH 85°38'01" EAST 13.81 FEET TO THE EASTERLY LINE OF SAID STREET AND THE GENERAL WESTERLY LINE OF SAID PARCEL 1 (B192 O.R. 384); THENCE ALONG SAID LINES NORTH 04°21'59" WEST 33.00 FEET TO THE CENTERLINE OF SAID STREET AND SOUTHERLY LINE OF PARCEL 1 OF SAID D464 O.R. 628; THENCE ALONG A PORTION OF SAID PARCEL 1 (D464 O.R. 628), ALONG A PORTION OF THE NORTHERLY LINE OF SAID PARCEL 1 (B192 O.R. 384) AND ALONG THE CENTERLINE OF FORMER 20<sup>TH</sup> STREET, AS SAID STREET EXISTED PRIOR TO THE CLOSURE THEREOF, PER RESOLUTION No. 10787, DATED MARCH 30, 1914, NORTH 85°38'01" EAST 618.80 FEET; THENCE SOUTH 36°29'34" EAST 45.07 FEET; THENCE NORTH 53°30'26" EAST 101 FEET, MORE OR LESS, TO THE MEAN HIGH WATER LINE, AT AN ELEVATION OF 5.8 FEET (NAVD88 DATUM), AS INDICATED IN A TIDAL DATUM STUDY PROVIDED BY SAN FRANCISCO BAY CONSERVATION AND DEVELOPMENT COMMISSION (BCDC), ENTITLED, "SAN FRANCISCO BAY TIDAL DATUMS AND EXTREME TIDES STUDY", DATED FEBRUARY, 2016, PREPARED BY AECOM; THENCE IN A GENERAL SOUTHERLY DIRECTION ALONG SAID MEAN HIGH WATER LINE, APPROXIMATELY 1686 FEET TO THE EASTERLY PROLONGATION OF THE MOST SOUTHERLY LINE OF SAID PARCEL 1 (B192 O.R. 384); THENCE ALONG SAID SOUTHERLY LINE, SOUTH 85°30'01" WEST 1085 FEET, MORE OR LESS, TO THE MOST SOUTHWESTERLY CORNER OF SAID PARCEL; THENCE ALONG THE LINES OF SAID PARCEL, NORTH 25°06'47" WEST 56.46 FEET AND NORTH 42° 41'35" WEST 129.00 FEET TO THE SOUTHEASTERLY CORNER OF SAID 22<sup>ND</sup> STREET; THENCE ALONG THE EASTERLY LINE OF SAID 22<sup>ND</sup> STREET AND THE LINE OF SAID PARCEL 1 (B192 O.R. 384), NORTH 04°21'59" WEST 66.00 FEET TO THE POINT OF BEGINNING.

**EXCEPTING THEREFROM, THE FOLLOWING PARCELS:**

PARCEL 1 (AFFORDABLE SELF STORAGE):

BEGINNING AT THE POINT ON THE SOUTHERLY LINE OF THAT PARCEL OF LAND DESCRIBED IN DEED GRANTED TO THE STATE OF CALIFORNIA, RECORDED NOVEMBER 13, 1967 IN BOOK B192, PAGE 384, OFFICIAL RECORDS (B192 O.R. 384), CITY AND COUNTY OF SAN FRANCISCO, FROM WHICH THE MOST SOUTHWESTERLY CORNER OF SAID PARCEL BEARS SOUTH 85°38'01" WEST 491.1 FEET, SAID POINT OF BEGINNING ALSO BEING ON A LINE WHICH BEARS SOUTH 04°21'59" EAST FROM THE SOUTHEAST CORNER OF A METAL BUILDING KNOWN AS BUILDING NO. 66; THENCE FROM SAID POINT OF BEGINNING, NORTH 04°21'59" WEST 220.0 FEET; THENCE NORTH 85°38'01" EAST 40.0 FEET; THENCE NORTH 04°21'59" WEST 178.0 FEET; THENCE NORTH 85°38'01" EAST 641 FEET, MORE OR LESS TO THE TO THE EASTERLY EDGE OF A CONCRETE DOCK WALL; THENCE ALONG A MEANDERING CONTOUR LINE AT AN ELEVATION OF 5.8 FEET (NAVD88 DATUM), BEING THE MEAN HIGH WATER LINE (MHW) AS INDICATED IN A TIDAL DATUM STUDY PROVIDED BY SAN FRANCISCO BAY CONSERVATION AND DEVELOPMENT COMMISSION (BCDC), ENTITLED, "SAN FRANCISCO BAY TIDAL DATUMS AND EXTREME TIDES STUDY", DATED FEBRUARY, 2016, PREPARED BY AECOM, SOUTHERLY AND WESTERLY ALONG SAID DOCK TO THE SHORELINE AND CONTINUING ALONG THE SHORELINE, EDGES OF CONCRETE WALLS OF DOCKS AND SEAWALLS ALONG SAID MHW LINE, IN A GENERAL SOUTHERLY DIRECTION, 596 FEET, PLUS OR MINUS, TO A POINT ON EASTERLY PROJECTION

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**EXHIBIT "A"**  
Legal Description

OF THE SOUTHERLY LINE OF SAID B192 O.R. 384 PARCEL; THENCE ALONG SAID EASTERLY PROJECTION AND THE LINE OF B192 O.R. 384 PARCEL, SOUTH 85°38'01" WEST 594 FEET, MORE OR LESS, TO SAID POINT OF BEGINNING.

PARCEL 2 (PORTION OF BUILDING NO. 21):

COMMENCING AT THE INTERSECTION OF THE EASTERLY LINE OF ILLINOIS STREET (80 FEET WIDE) AND THE SOUTHERLY LINE OF 20<sup>TH</sup> STREET (66 FEET WIDE); THENCE ALONG SAID LINE OF THE 20<sup>TH</sup> STREET AND ALONG THE SOUTHERLY LINE OF FORMER 20<sup>TH</sup> STREET (66 FEET WIDE), AS SAID STREET EXISTED PRIOR TO THE CLOSURE THEREOF, PER RESOLUTION NO. 10792, DATED MARCH 30, 1914, NORTH 85°38'01" EAST 1,120.00 FEET TO THE EASTERLY LINE OF FORMER MARYLAND STREET (80 FEET WIDE), AS SAID STREET EXISTED PRIOR TO THE CLOSURE THEREOF, PER RESOLUTION NO. 1376, DATED OCTOBER 15, 1940; THENCE ALONG SAID LINE OF FORMER MARYLAND STREET, SOUTH 04°21'59" EAST 424.8 FEET; THENCE SOUTH 85°38'01" WEST 1.2 FEET TO SOUTHWESTERLY EXTERIOR CORNER OF A 2-STORY METAL BUILDING, KNOWN AS BUILDING NO. 21, ALSO BEING THE **TRUE POINT OF BEGINNING**; THENCE ALONG THE EXTERIOR WESTERLY WALL OF SAID BUILDING, MORE OR LESS, NORTH 04°21'59" WEST 45.0 FEET, MORE OR LESS, TO THE NORTHERLY FACE OF A 6 INCH WIDE CONCRETE PARTITION WALL; THENCE ALONG SAID WALL, NORTH 85°38'01" EAST 54.5 FEET, MORE OR LESS, TO NORTHEAST CORNER OF SAID WALL; THENCE ALONG THE EASTERLY FACE OF SAID WALL, SOUTH 04°21'59" EAST 45.0 FEET, MORE OR LESS, TO THE EXTERIOR SOUTHERLY WALL OF SAID BUILDING NO. 21; THENCE ALONG SAID BUILDING WALL, MORE OR LESS, SOUTH 85°38'01" WEST 54.5 FEET TO SAID TRUE POINT OF BEGINNING.

PARCEL 3 (BUILDING NO. 11 SITE):

COMMENCING AT THE INTERSECTION OF THE EASTERLY LINE OF ILLINOIS STREET (80 FEET WIDE) AND THE SOUTHERLY LINE OF 20<sup>TH</sup> STREET (66 FEET WIDE); THENCE ALONG SAID LINE OF THE 20<sup>TH</sup> STREET AND ALONG THE SOUTHERLY LINE OF FORMER 20<sup>TH</sup> STREET (66 FEET WIDE), AS SAID STREET EXISTED PRIOR TO THE CLOSURE THEREOF, PER RESOLUTION NO. 10792, DATED MARCH 30, 1914, NORTH 85°38'01" EAST 1,120.00 FEET TO THE EASTERLY LINE OF FORMER MARYLAND STREET (80 FEET WIDE), AS SAID STREET EXISTED PRIOR TO THE CLOSURE THEREOF, PER RESOLUTION NO. 1376, DATED OCTOBER 15, 1940; THENCE ALONG SAID LINE OF FORMER MARYLAND STREET, SOUTH 04°21'59" EAST 327.0 FEET; THENCE NORTH 85°38'01" EAST 100.9 FEET TO THE **TRUE POINT OF BEGINNING**; THENCE NORTH 85°38'01" EAST 77.5 FEET; THENCE SOUTH 76°21'39" EAST 57.5 FEET; THENCE SOUTH 04°21'59" EAST 145.0 FEET; THENCE SOUTH 85°38'01" WEST 49.5 FEET; THENCE SOUTH 04°21'59" EAST 4.0 FEET; THENCE SOUTH 85°38'01" WEST 82.7 FEET TO A POINT ON A LINE BEARING SOUTH 04°21'59" EAST FROM SAID TRUE POINT OF BEGINNING; THENCE NORTH 04°21'59" WEST 166.8 FEET TO SAID TRUE POINT OF BEGINNING.

PARCEL 4 (PUMP STATION):

COMMENCING AT THE INTERSECTION OF THE EASTERLY LINE OF ILLINOIS STREET (80 FEET WIDE) AND THE SOUTHERLY LINE OF 20<sup>TH</sup> STREET (66 FEET WIDE); THENCE ALONG SAID LINE OF THE 20<sup>TH</sup> STREET AND ALONG THE SOUTHERLY LINE OF FORMER 20<sup>TH</sup> STREET (66 FEET WIDE), AS SAID STREET EXISTED PRIOR TO THE CLOSURE THEREOF, PER RESOLUTION NO.

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**EXHIBIT "A"**  
Legal Description

10792, DATED MARCH 30, 1914, NORTH 85°38'01" EAST 1,400.00 FEET TO THE EASTERLY LINE OF FORMER DELAWARE STREET (80 FEET WIDE), AS SAID STREET EXISTED PRIOR TO THE CLOSURE THEREOF, PER RESOLUTION NO. 1376, DATED OCTOBER 15, 1940; THENCE ALONG SAID LINE OF FORMER DELAWARE STREET, SOUTH 04°21'59" EAST 76.9 FEET; THENCE NORTH 85°38'01" EAST 37.0 FEET TO THE **TRUE POINT OF BEGINNING**, BEING A POINT ON THE EASTERLY FACE OF AN 18 INCH WIDE CONCRETE WALL; THENCE ALONG SAID FACE OF WALL, NORTH 33°06'32" WEST 38.4 FEET AND NORTH 13°01'17" WEST 57.6 FEET TO A POINT ON A CHAIN-LINK FENCE; THENCE ALONG SAID FENCE, NORTH 79°33'35" EAST 19.8 FEET TO THE WESTERLY EDGE OF A CONCRETE LOADING DOCK; THENCE ALONG SAID EDGE OF LOADING DOCK, SOUTH 36°29'34" EAST 24.7 FEET TO THE MOST SOUTHERLY CORNER OF SAID LOADING DOCK; THENCE ALONG THE SOUTHERLY EDGE OF SAID DOCK AND ALONG THE SOUTHERLY LINE OF A 1-STORY METAL BUILDING KNOWN AS BUILDING NO. 6, NORTH 53°30'26" EAST 40.5 FEET; THENCE SOUTH 02°02'49" EAST 95.1 FEET TO A POINT ON THE NORTHERLY FACE OF SAID 18 INCH WIDE CONCRETE WALL; THENCE ALONG THE FACE OF SAID WALL, SOUTH 88°20'10" WEST 36.2 FEET TO SAID TRUE POINT OF BEGINNING.

THE BASIS OF BEARING FOR THE ABOVE PARCELS IS BASED UPON THE BEARING OF N03°41'33"W BETWEEN SURVEY CONTROL POINTS NUMBERED 375 AND 376, OF THE HIGH PRECISION NETWORK DENSIFICATION (HPND), CITY & COUNTY OF SAN FRANCISCO 2013 COORDINATE SYSTEM (SFCS13).

**ALSO EXCEPTING THEREFROM**, ALL SUBSURFACE MINERAL DEPOSITS, INCLUDING OIL AND GAS DEPOSITS, TOGETHER WITH THE RIGHT OF INGRESS AND EGRESS ON SAID LAND FOR EXPLORATION, DRILLING AND EXTRACTION OF SUCH MINERAL, OIL AND GAS DEPOSITS, AS EXCEPTED AND RESERVED BY THE STATE OF CALIFORNIA IN THAT CERTAIN ACT OF THE LEGISLATURE (THE "BURTON ACT") SET FORTH IN CHAPTER 1333 OF THE STATUTES OF 1968 AND AMENDMENTS THERETO, AND UPON TERMS AND PROVISIONS SET FORTH THEREIN.

Assessor's Parcel Nos. : Portions of 4052-001 and 4111-004

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**SCHEDULE B  
EXCEPTIONS FROM COVERAGE**

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

**PART I**

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.  
Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interests or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matter excepted under (a), (b), or (c) are shown by the public records.
6. Any lien or right to a lien for services, labor or material not shown by the public records.

**END OF SCHEDULE B - PART I**

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**SCHEDULE B  
EXCEPTIONS FROM COVERAGE**

**PART II**

1. Intentionally deleted
2. There were no taxes levied for the fiscal year 2017-2018 as the property was vested in a public entity.
3. The herein described property lies within the boundaries of a Mello Roos Community Facilities District ("CFD"), as follows:
 

CFD No: 90 1  
For: School Facility Repair and Maintenance

This property, along with all other parcels in the CFD, is liable for an annual special tax. This special tax is included with and payable with the general property taxes of the City and County of San Francisco. The tax may not be prepaid.

None now due and payable
4. The lien of supplemental or escaped assessments of property taxes, if any, made pursuant to the provisions of Chapter 3.5 (commencing with Section 75) or Part 2, Chapter 3, Articles 3 and 4, respectively, of the Revenue and Taxation Code of the State of California as a result of the transfer of title to the vestee named in Schedule A or as a result of changes in ownership or new construction occurring on or after the Date of Policy.
 

None now due and payable
5. Any adverse claim based upon the assertion that some portion of said Land is tide or submerged lands, or has been created by artificial means or has accreted to such portion so created.
6. Any adverse claim based upon the assertion that any portion of said Land was not tideland or submerged land which was available for disposition by the State of California, or that any portion thereof has ceased to be tidelands or submerged lands by reason of erosion or by reason of having become upland by accretion.
7. Rights and Easements for Commerce, Navigation, and Fishery.
8. Intentionally deleted

**THE FOLLOWING ITEMS AFFECT THOSE PORTIONS OF THE HEREIN DESCRIBED LAND LYING WITHIN ASSESSORS BLOCK 4052, LOT 1:**

9. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:
 

Granted to: City and County of San Francisco, a municipal corporation  
Purpose: Construction, maintenance and operation of sewers  
Recording Date: November 26, 1940  
Recording No.: Book 3689, Page 185, Official Records  
Affects: Portion lying within the bounds of former 20th Street, now closed, and also property other than premises described herein

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**SCHEDULE B**  
**EXCEPTIONS FROM COVERAGE**  
(continued)

10. Covenants, conditions and restrictions but omitting any covenants or restrictions, if any, including but not limited to those based upon race, color, religion, sex, sexual orientation, familial status, marital status, disability, handicap, national origin, ancestry, source of income, gender, gender identity, gender expression, medical condition or genetic information, as set forth in applicable state or federal laws, except to the extent that said covenant or restriction is permitted by applicable law, as set forth in the document

Recording Date: November 13, 1967  
Recording No.: 26523, Book B192, Page 384, Official Records

11. Conditions, restrictions, Easements, Reservations and Limitations and Rights, Powers, Duties and Trust contained in the Legislative Grants and by law as to the land or any portion thereof acquired by the City and County of San Francisco, by Chapter 1333 of the Statutes of 1968, as amended by Chapters 1296 and 1400, Statutes of 1969 and by Chapter 670, Statutes of 1970, and Chapter 1253, Statutes of 1971, and as may be further amended, and such Reversionary Rights and Interest as may be possessed by the State of California under the terms and provisions of said Legislative Grants, or by law.

Conditions, Restrictions, Easements, Reservations and Limitations and Rights, Powers, Duties and Trusts contained in the Legislative Grants, and by law as to the land or any portion thereof, acquired by the City and County of San Francisco by Chapter 477 of the Statutes of 2011 (AB 418) and as may be further amended, and such Reversionary Rights and Interests as may be possessed by the State of California under the terms and provisions of said Legislative Grants, or by law.

12. Matters contained in that certain document

Entitled: Agreement Relating to Transfer of the Port of San Francisco from the State of California to the City and County of San Francisco  
Dated: January 24, 1969  
Executed by: State of California and City and County of San Francisco  
Recording Date: January 30, 1969  
Recording No.: R40413, Book B308, Page 686, Official Records

Reference is hereby made to said document for full particulars.

**THE FOLLOWING ITEMS AFFECT THOSE PORTION OF THE HEREIN DESCRIBED LAND LYING WITHIN ASSESSORS BLOCK 4111, LOT 4:**

13. Matters as set forth in that certain document entitled "Judgment Quieting Title", San Francisco Superior Court Case No. 401394, recorded April 16, 1954, as instrument no. C63570, Book 6359, Page 235 of Official Records, pertaining to a portion of said land.

Affects: a portion of former Louisiana Street lying within the herein described land.

Reference is made to the record for full particulars.

14. Intentionally deleted

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**SCHEDULE B  
EXCEPTIONS FROM COVERAGE**  
(continued)

15. Matters contained in that certain document

Entitled: Order No. 76214  
Dated: June 13, 1967  
Recording Date: July 25, 1967  
Recording No.: Q4404, Book B162, Page 939, of Official Records

Reference is hereby made to said document for full particulars.

16. Matters contained in that certain document "Corporation Grant Deed"

Grantor: Bethlehem Steel Corporation, a Delaware corporation  
Grantee: City and County of San Francisco  
Recording Date: December 16, 1982  
Recording No.: D275576, in Book D464, Page 628 of Official Records

Reference is hereby made to said document for full particulars.

17. Matters contained in that certain document entitled "Street Encroachment Agreement"

Recording Date: July 6, 1976  
Recording No.: Z01074, in Book C196, Page 780 of Official Records

Reference is hereby made to said document for full particulars.

18. Intentionally deleted

19. Intentionally deleted

20. Intentionally deleted

**THE FOLLOWING ITEMS AFFECT ALL OF THE HEREIN DESCRIBED LAND:**

21. Intentionally deleted

22. Intentionally deleted

23. Intentionally deleted

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SCHEDULE B  
EXCEPTIONS FROM COVERAGE  
(continued)

24. Matters contained in that certain document

Entitled: Covenant and Environmental Restriction on Property  
Dated: August 11, 2016  
Executed by: The City and County of San Francisco, acting by and through the Port of San Francisco and State of California Regional Water Quality Board, San Francisco Bay Region  
Recording Date: August 19, 2016  
Recording No.: 2016-K308328-00, Official Records

Reference is hereby made to said document for full particulars.

25. Any right, title or interest of persons, known or unknown, who claim or may claim adversely to the vested owners herein by reason of the record title to said Land not having been established and quieted under the provisions of the "Destroyed Land Records Relief Act of 1906, as Amended," commonly known as the "McEnerney Act."

Affects: Portion of the property

26. Intentionally deleted

27. Easement(s) for the purpose(s) shown below and rights incidental thereto, as set forth in the Master Lease upon the terms and conditions set forth therein

Granted to: The City and County of San Francisco, operating by and through the San Francisco Port Commission, and their successors and assigns  
Purpose: Ingress and egress to and from Parcel 1 (Affordable Self Storage), Parcel 2 (Portion of Building No. 21), Parcel 3 (Building No. 11 Site) and Parcel 4 (Pump Station) as shown on Exhibit B of the Mater Lease  
Recording Date: \_\_\_\_\_, 2018  
Recording No.: 2018-\_\_\_\_\_, Official Records

28. Development Agreement

Dated: May 2, 2018  
Executed by and between: The City and County of San Francisco, a political subdivision and municipal corporation of the State of California and FC Pier 70, a Delaware limited liability company  
Recording Date: \_\_\_\_\_, 2018  
Recording No.: 2018-\_\_\_\_\_, Official Records

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**SCHEDULE B**  
**EXCEPTIONS FROM COVERAGE**  
(continued)

29. Disposition and Development Agreement, upon the terms, covenants, conditions and provisions set forth therein

Dated: May 2, 2018  
Executed by and between: The City and County of San Francisco, a municipal corporation and charter city, acting by and through the San Francisco Port Commission and FC Pier 70, a Delaware limited liability company  
Recording Date: \_\_\_\_\_, 2018  
Recording No.: 2018-\_\_\_\_\_, Official Records

**END OF SCHEDULE B - PART II**

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## EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building or zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land, (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
- (b) Any governmental police power not excluded by (a) above, except to the extent that notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:
  - (a) whether or not recorded in the public records at Date of Policy, but created, suffered, assumed or agreed to by the insured claimant;
  - (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
  - (c) resulting in no loss or damage to the insured claimant;
  - (d) attaching or created subsequent to Date of Policy; or
  - (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage or for the estate or interest insured by this policy.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with the applicable doing business laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
6. Any claim, which arises out of the transaction vesting in the insured the estate or interest insured by this policy or the transaction creating the interest of the insured lender, by reason of the operation of federal bankruptcy, state insolvency or similar creditors' rights laws.

## CONDITIONS AND STIPULATIONS

## 1. DEFINITION OF TERMS

The following terms when used in this policy mean:

- (a) "insured": the insured named in Schedule A, and, subject to any rights or defenses the Company would have had against the named insured, those who succeed to the interest of the named insured by operation of law as distinguished from purchase including, but not limited to, heirs, distributees, devisees, survivors, personal representatives, next of kin, or corporate or fiduciary successors. The term "insured" also includes:
  - (i) the owner of the indebtedness secured by the insured mortgage and each successor in ownership of the indebtedness except a successor who is an obligor under the provisions of Section 12(c) of these Conditions and Stipulations (reserving, however, all rights and defenses as to any successor that the Company would have had against any predecessor insured, unless the successor acquired the indebtedness as a purchaser for value without knowledge of the asserted defect, lien, encumbrance, adverse claim or other matter insured against by this policy as affecting title to the estate or interest in the land);
  - (ii) any governmental agency or governmental instrumentality which is an insurer or guarantor under an insurance contract or guaranty insuring or guaranteeing the indebtedness secured by the insured mortgage, or any part thereof, whether named as an insured herein or not;
  - (iii) the parties designated in Section 2(a) of these Conditions and Stipulations.
  - (iv) Subject to any rights or defenses the Company would have had against the named insured, (A) the spouse of an insured who receives title to the land because of dissolution of marriage, (B) the trustee or successor trustee of a trust or any estate planning entity created for the insured to whom or to which the insured transfers title to the land after the Date of Policy or (C) the beneficiaries of such a trust upon the death of the insured.
- (b) "insured claimant": an insured claiming loss or damage.
- (c) "insured lender": the owner of an insured mortgage.
- (d) "insured mortgage": a mortgage shown in Schedule B, the owner of which is named as an insured in Schedule A.
- (e) "knowledge" or "known": actual knowledge, not constructive knowledge or notice which may be imputed to an insured by reason of the public records as defined in this policy or any other records which impart constructive notice of matters affecting the land.
- (f) "land": the land described or referred to in Schedule A, and improvements affixed thereto which by law constitute real property. The term "land" does not include any property beyond the lines of the area described or referred to in Schedule A, nor any right, title, interest, estate or easement in abutting streets, roads, avenues, alleys, lanes, ways or waterways, but nothing herein shall modify or limit the extent to which a right of access to and from the land is insured by this policy.
- (g) "mortgage": mortgage, deed of trust, trust deed, or other security instrument.

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(continued)

- (h) "public records": records established under state statutes at Date of Policy for the purpose of imparting constructive notice of matters relating to real property to purchasers for value and without knowledge.
- (i) "unmarketability of the title": an alleged or apparent matter affecting the title to the land, not excluded or excepted from coverage, which would entitle a purchaser of the estate or interest described in Schedule A or the insured mortgage to be released from the obligation to purchase by virtue of a contractual condition requiring the delivery of marketable title.

**2. CONTINUATION OF INSURANCE****(a) After Acquisition of Title by Insured Lender.**

If this policy insures the owner of the indebtedness secured by the insured mortgage, the coverage of this policy shall continue in force as of Date of Policy in favor of (i) such insured lender who acquires all or any part of the estate or interest in the land by foreclosure, trustee's sale, conveyance in lieu of foreclosure, or other legal manner which discharges the lien of the insured mortgage; (ii) a transferee of the estate or interest so acquired from an insured corporation, provided the transferee is the parent or wholly-owned subsidiary of the insured corporation, and their corporate successors by operation of law and not by purchase, subject to any rights or defenses the Company may have against any predecessor insureds; and (iii) any governmental agency or governmental instrumentality which acquires all or any part of the estate or interest pursuant to a contract of insurance or guaranty insuring or guaranteeing the indebtedness secured by the insured mortgage.

**(b) After Conveyance of Title by an Insured.**

The coverage of this policy shall continue in force as of Date of Policy in favor of an insured only so long as the insured retains an estate or interest in the land, or holds an indebtedness secured by a purchase money mortgage given by a purchaser from the insured, or only so long as the insured shall have liability by reason of covenants of warranty made by the insured in any transfer or conveyance of the estate or interest. This policy shall not continue in force in favor of any purchaser from an insured of either (i) an estate or interest in the land, or (ii) an indebtedness secured by a purchase money mortgage given to an insured.

**(c) Amount of Insurance.**

The amount of insurance after the acquisition or after the conveyance by an insured lender shall in neither event exceed the least of:

- (i) The amount of insurance stated in Schedule A;
- (ii) The amount of the principal of the indebtedness secured by the insured mortgage as of Date of Policy, interest thereon, expenses of foreclosure, amounts advanced pursuant to the insured mortgage to assure compliance with laws or to protect the lien of the insured mortgage prior to the time of acquisition of the estate or interest in the land and secured thereby and reasonable amounts expended to prevent deterioration of improvements, but reduced by the amount of all payments made; or
- (iii) The amount paid by any governmental agency or governmental instrumentality, if the agency or the instrumentality is the insured claimant, in the acquisition of the estate or interest in satisfaction of its insurance contract or guaranty.

**3. NOTICE OF CLAIM TO BE GIVEN BY INSURED CLAIMANT**

An insured shall notify the Company promptly in writing (i) in case of any litigation as set forth in 4(a) below, (ii) in case knowledge shall come to an insured hereunder of any claim of title or interest which is adverse to the title to the estate or interest or the lien of the insured mortgage, as insured, and which might cause loss or damage for which the Company may be liable by virtue of this policy, or (iii) if title to the estate or interest or the lien of the insured mortgage, as insured, is rejected as unmarketable. If prompt notice shall not be given to the Company, then as to that insured all liability of the Company shall terminate with regard to the matter or matters for which prompt notice is required; provided, however, that failure to notify the Company shall in no case prejudice the rights of any insured under this policy unless the Company shall be prejudiced by the failure and then only to the extent of the prejudice.

**4. DEFENSE AND PROSECUTION OF ACTIONS; DUTY OF INSURED CLAIMANT TO COOPERATE**

- (a) Upon written request by an insured and subject to the options contained in Section 6 of these Conditions and Stipulations, the Company, at its own cost and without unreasonable delay, shall provide for the defense of such insured in litigation in which any third party asserts a claim adverse to the title or interest as insured, but only as to those stated causes of action alleging a defect, lien or encumbrance or other matter insured against by this policy. The Company shall have the right to select counsel of its choice (subject to the right of such insured to object for reasonable cause) to represent the insured as to those stated causes of action and shall not be liable for and will not pay the fees of any other counsel. The Company will not pay any fees, costs or expenses incurred by an insured in the defense of those causes of action which allege matters not insured against by this policy.
- (b) The Company shall have the right, at its own cost, to institute and prosecute any action or proceeding or to do any other act which in its opinion may be necessary or desirable to establish the title to the estate or interest or the lien of the insured mortgage, as insured, or to prevent or reduce loss or damage to an insured. The Company may take any appropriate action under the terms of this policy, whether or not it shall be liable hereunder, and shall not thereby concede liability or waive any provision of this policy. If the Company shall exercise its rights under this paragraph, it shall do so diligently.
- (c) Whenever the Company shall have brought an action or interposed a defense as required or permitted by the provisions of this policy, the Company may pursue any litigation to final determination by a court of competent jurisdiction and expressly reserves the right, in its sole discretion, to appeal from any adverse judgment or order.

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(continued)

- (d) In all cases where this policy permits or requires the Company to prosecute or provide for the defense of any action or proceeding, an insured shall secure to the Company the right to so prosecute or provide defense in the action or proceeding, and all appeals therein, and permit the Company to use, at its option, the name of such insured for this purpose. Whenever requested by the Company, an insured, at the Company's expense, shall give the Company all reasonable aid (i) in any action or proceeding, securing evidence, obtaining witnesses, prosecuting or defending the action or proceeding, or effecting settlement, and (ii) in any other lawful act which in the opinion of the Company may be necessary or desirable to establish the title to the estate or interest or the lien of the insured mortgage, as insured. If the Company is prejudiced by the failure of an insured to furnish the required cooperation, the Company's obligations to such insured under the policy shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, with regard to the matter or matters requiring such cooperation.

#### 5. PROOF OF LOSS OR DAMAGE

In addition to and after the notices required under Section 3 of these Conditions and Stipulations have been provided the Company, a proof of loss or damage signed and sworn to by each insured claimant shall be furnished to the Company within ninety (90) days after the insured claimant shall ascertain the facts giving rise to the loss or damage. The proof of loss or damage shall describe the defect in, or lien or encumbrance on the title, or other matter insured against by this policy which constitutes the basis of loss or damage and shall state, to the extent possible, the basis of calculating the amount of the loss or damage. If the Company is prejudiced by the failure of an insured claimant to provide the required proof of loss or damage, the Company's obligations to such insured under the policy shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, with regard to the matter or matters requiring such proof of loss or damage.

In addition, an insured claimant may reasonably be required to submit to examination under oath by any authorized representative of the Company and shall produce for examination, inspection and copying, at such reasonable times and places as may be designated by any authorized representative of the Company, all records, books, ledgers, checks, correspondence and memoranda, whether bearing a date before or after Date of Policy, which reasonably pertain to the loss or damage. Further, if requested by any authorized representative of the Company, the insured claimant shall grant its permission, in writing, for any authorized representative of the Company to examine, inspect and copy all records, books, ledgers, checks, correspondence and memoranda in the custody or control of a third party, which reasonably pertain to the loss or damage. All information designated as confidential by an insured claimant provided to the Company pursuant to this Section shall not be disclosed to others unless, in the reasonable judgment of the Company, it is necessary in the administration of the claim. Failure of an insured claimant to submit for examination under oath, produce other reasonably requested information or grant permission to secure reasonably necessary information from third parties as required in this paragraph, unless prohibited by law or governmental regulation, shall terminate any liability of the Company under this policy as to that insured for that claim.

#### 6. OPTIONS TO PAY OR OTHERWISE SETTLE CLAIMS; TERMINATION OF LIABILITY

In case of a claim under this policy, the Company shall have the following additional options:

(a) To Pay or Tender Payment of the Amount of Insurance or to Purchase the Indebtedness.

- (i) to pay or tender payment of the amount of insurance under this policy together with any costs, attorneys' fees and expenses incurred by the insured claimant, which were authorized by the Company, up to the time of payment or tender of payment and which the Company is obligated to pay; or
- (ii) in case loss or damage is claimed under this policy by the owner of the indebtedness secured by the insured mortgage, to purchase the indebtedness secured by the insured mortgage for the amount owing thereon together with any costs, attorneys' fees and expenses incurred by the insured claimant which were authorized by the Company up to the time of purchase and which the Company is obligated to pay.

If the Company offers to purchase the indebtedness as herein provided, the owner of the indebtedness shall transfer, assign, and convey the indebtedness and the insured mortgage, together with any collateral security, to the Company upon payment therefor.

Upon the exercise by the Company of the option provided for in paragraph a(i), all liability and obligations to the insured under this policy, other than to make the payment required in that paragraph, shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, and the policy shall be surrendered to the Company for cancellation.

Upon the exercise by the Company of the option provided for in paragraph a(ii) the Company's obligation to an insured Lender under this policy for the claimed loss or damage, other than the payment required to be made, shall terminate, including any liability or obligation to defend, prosecute or continue any litigation.

(b) To Pay or Otherwise Settle with Parties Other than the Insured or With the Insured Claimant.

- (i) to pay or otherwise settle with other parties for or in the name of an insured claimant any claim insured against under this policy, together with any costs, attorneys' fees and expenses incurred by the insured claimant which were authorized by the Company up to the time of payment and which the Company is obligated to pay; or
- (ii) to pay or otherwise settle with the insured claimant the loss or damage provided for under this policy, together with any costs, attorneys' fees and expenses incurred by the insured claimant which were authorized by the Company up to the time of payment and which the Company is obligated to pay.

Upon the exercise by the Company of either of the options provided for in paragraphs b(i) or b(ii), the Company's obligations to the insured under this policy for the claimed loss or damage, other than the payments required to be made, shall terminate, including any liability or obligation to defend, prosecute or continue any litigation.

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(continued)

**7. DETERMINATION AND EXTENT OF LIABILITY**

This policy is a contract of indemnity against actual monetary loss or damage sustained or incurred by the insured claimant who has suffered loss or damage by reason of matters insured against by this policy and only to the extent herein described.

- (a) The liability of the Company under this policy to an insured lender shall not exceed the least of:
  - (i) the Amount of Insurance stated in Schedule A, or, if applicable, the amount of insurance as defined in Section 2(c) of these Conditions and Stipulations;
  - (ii) the amount of the unpaid principal indebtedness secured by the insured mortgage as limited or provided under Section 8 of these Conditions and Stipulations or as reduced under Section 9 of these Conditions and Stipulations, at the time the loss or damage insured against by this policy occurs, together with interest thereon; or
  - (iii) the difference between the value of the insured estate or interest as insured and the value of the insured estate or interest subject to the defect, lien or encumbrance insured against by this policy.
- (b) In the event the insured lender has acquired the estate or interest in the manner described in Section 2(a) of these Conditions and Stipulations or has conveyed the title, then the liability of the Company shall continue as set forth in Section 7(a) of these Conditions and Stipulations.
- (c) The liability of the Company under this policy to an insured owner of the estate or interest in the land described in Schedule A shall not exceed the least of:
  - (i) the Amount of Insurance stated in Schedule A; or,
  - (ii) the difference between the value of the insured estate or interest as insured and the value of the insured estate or interest subject to the defect, lien or encumbrance insured against by this policy.
- (d) The Company will pay only those costs, attorneys' fees and expenses incurred in accordance with Section 4 of these Conditions and Stipulations.

**8. LIMITATION OF LIABILITY**

- (a) If the Company establishes the title, or removes the alleged defect, lien or encumbrance, or cures the lack of a right of access to or from the land, or cures the claim of unmarketability of title, or otherwise establishes the lien of the insured mortgage, all as insured, in a reasonably diligent manner by any method, including litigation and the completion of any appeals therefrom, it shall have fully performed its obligations with respect to that matter and shall not be liable for any loss or damage caused thereby.
- (b) In the event of any litigation, including litigation by the Company or with the Company's consent, the Company shall have no liability for loss or damage until there has been a final determination by a court of competent jurisdiction, and disposition of all appeals therefrom, adverse to the title, or, if applicable, to the lien of the insured mortgage, as insured.
- (c) The Company shall not be liable for loss or damage to any insured for liability voluntarily assumed by the insured in settling any claim or suit without the prior written consent of the Company.
- (d) The Company shall not be liable to an insured lender for: (i) any indebtedness created subsequent to Date of Policy except for advances made to protect the lien of the insured mortgage and secured thereby and reasonable amounts expended to prevent deterioration of improvements; or (ii) construction loan advances made subsequent to Date of Policy, except construction loan advances made subsequent to Date of Policy for the purpose of financing in whole or in part the construction of an improvement to the land which at Date of Policy were secured by the insured mortgage and which the insured was and continued to be obligated to advance at and after Date of Policy.

**9. REDUCTION OF INSURANCE; REDUCTION OR TERMINATION OF LIABILITY**

- (a) All payments under this policy, except payments made for costs, attorneys' fees and expenses, shall reduce the amount of insurance pro tanto. However, as to an insured lender, any payments made prior to the acquisition of title to the estate or interest as provided in Section 2(a) of these Conditions and Stipulations shall not reduce pro tanto the amount of insurance afforded under this policy as to any such insured, except to the extent that the payments reduce the amount of the indebtedness secured by the insured mortgage.
- (b) Payment in part by any person of the principal of the indebtedness, or any other obligation secured by the insured mortgage, or any voluntary partial satisfaction or release of the insured mortgage, to the extent of the payment, satisfaction or release, shall reduce the amount of insurance pro tanto. The amount of insurance may thereafter be increased by accruing interest and advances made to protect the lien of the insured mortgage and secured thereby, with interest thereon, provided in no event shall the amount of insurance be greater than the Amount of Insurance stated in Schedule A.
- (c) Payment in full by any person or the voluntary satisfaction or release of the insured mortgage shall terminate all liability of the Company to an insured lender except as provided in Section 2(a) of these Conditions and Stipulations.

**10. LIABILITY NONCUMULATIVE**

It is expressly understood that the amount of insurance under this policy shall be reduced by any amount the Company may pay under any policy insuring a mortgage to which exception is taken in Schedule B or to which the insured has agreed, assumed, or taken subject, or which is hereafter executed by an insured and which is a charge or lien on the estate or interest described or referred to in Schedule A, and the amount so paid shall be deemed a payment under this policy to the insured owner.

The provisions of this Section shall not apply to an insured lender, unless such insured acquires title to said estate or interest in satisfaction of the indebtedness secured by an insured mortgage.

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(continued)

**11. PAYMENT OF LOSS**

- (a) No payment shall be made without producing this policy for endorsement of the payment unless the policy has been lost or destroyed, in which case proof of loss or destruction shall be furnished to the satisfaction of the Company.
- (b) When liability and the extent of loss or damage has been definitely fixed in accordance with these Conditions and Stipulations, the loss or damage shall be payable within thirty (30) days thereafter.

**12. SUBROGATION UPON PAYMENT OR SETTLEMENT****(a) The Company's Right of Subrogation.**

Whenever the Company shall have settled and paid a claim under this policy, all right of subrogation shall vest in the Company unaffected by any act of the insured claimant.

The Company shall be subrogated to and be entitled to all rights and remedies which the insured claimant would have had against any person or property in respect to the claim had this policy not been issued. If requested by the Company, the insured claimant shall transfer to the Company all rights and remedies against any person or property necessary in order to perfect this right of subrogation. The insured claimant shall permit the Company to sue, compromise or settle in the name of the insured claimant and to use the name of the insured claimant in any transaction or litigation involving these rights or remedies.

If a payment on account of a claim does not fully cover the loss of the insured claimant, the Company shall be subrogated (i) as to an insured owner, to all rights and remedies in the proportion which the Company's payment bears to the whole amount of the loss; and (ii) as to an insured lender, to all rights and remedies of the insured claimant after the insured claimant shall have recovered its principal, interest, and costs of collection.

If loss should result from any act of the insured claimant, as stated above, that act shall not void this policy, but the Company, in that event, shall be required to pay only that part of any losses insured against by this policy which shall exceed the amount, if any, lost to the Company by reason of the impairment by the insured claimant of the Company's right of subrogation.

**(b) The Insured's Rights and Limitations.**

Notwithstanding the foregoing, the owner of the indebtedness secured by an insured mortgage, provided the priority of the lien of the insured mortgage or its enforceability is not affected, may release or substitute the personal liability of any debtor or guarantor, or extend or otherwise modify the terms of payment, or release a portion of the estate or interest from the lien of the insured mortgage, or release any collateral security for the indebtedness.

When the permitted acts of the insured claimant occur and the insured has knowledge of any claim of title or interest adverse to the title to the estate or interest or the priority or enforceability of the lien of an insured mortgage, as insured, the Company shall be required to pay only that part of any losses insured against by this policy which shall exceed the amount, if any, lost to the Company by reason of the impairment by the insured claimant of the Company's right of subrogation.

**(c) The Company's Rights Against Non-insured Obligors.**

The Company's right of subrogation against non-insured obligors shall exist and shall include, without limitation, the rights of the insured to indemnities, guaranties, other policies of insurance or bonds, notwithstanding any terms or conditions contained in those instruments which provide for subrogation rights by reason of this policy.

The Company's right of subrogation shall not be avoided by acquisition of an insured mortgage by an obligor (except an obligor described in Section 1(a)(ii) of these Conditions and Stipulations) who acquires the insured mortgage as a result of an indemnity, guarantee, other policy of insurance, or bond and the obligor will not be an insured under this policy, notwithstanding Section 1(a)(i) of these Conditions and Stipulations.

**13. ARBITRATION**

Unless prohibited by applicable law, either the Company or the insured may demand arbitration pursuant to the Title Insurance Arbitration Rules of the American Arbitration Association. Arbitrable matters may include, but are not limited to, any controversy or claim between the Company and the insured arising out of or relating to this policy, any service of the Company in connection with its issuance or the breach of a policy provision or other obligation. All arbitrable matters when the Amount of Insurance is One Million And No/100 Dollars (\$1,000,000) or less shall be arbitrated at the option of either the Company or the insured. All arbitrable matters when the Amount of Insurance is in excess of One Million And No/100 Dollars (\$1,000,000) shall be arbitrated only when agreed to by both the Company and the insured. Arbitration pursuant to this policy and under the Rules in effect on the date the demand for arbitration is made or, at the option of the insured, the Rules in effect at Date of Policy shall be binding upon the parties. The award may include attorneys' fees only if the laws of the state in which the land is located permit a court to award attorneys' fees to a prevailing party. Judgment upon the award rendered by the Arbitrator(s) may be entered in any court having jurisdiction thereof.

The law of the situs of the land shall apply to an arbitration under the Title Insurance Arbitration Rules.

A copy of the Rules may be obtained from the Company upon request.

**14. LIABILITY LIMITED TO THIS POLICY; POLICY ENTIRE CONTRACT**

- (a) This policy together with all endorsements, if any, attached hereto by the Company is the entire policy and contract between the insured and the Company. In interpreting any provision of this policy, this policy shall be construed as a whole.
- (b) Any claim of loss or damage, whether or not based on negligence, and which arises out of the status of the lien of the insured mortgage or of the title to the estate or interest covered hereby or by any action asserting such claim, shall be restricted to this policy.
- (c) No amendment of or endorsement to this policy can be made except by a writing endorsed hereon or attached hereto signed by either the President, a Vice President, the Secretary, an Assistant Secretary, or validating officer or authorized signatory of the Company.

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(continued)

**15. SEVERABILITY**

In the event any provision of the policy is held invalid or unenforceable under applicable law, the policy shall be deemed not to include that provision and all other provisions shall remain in full force and effect.

**16. NOTICES, WHERE SENT**

All notices required to be given the Company and any statement in writing required to be furnished the Company shall include the number of this policy and shall be addressed to the Company at:

Chicago Title Insurance Company  
P.O. Box 45023  
Jacksonville, FL 32232-5023  
Attn: Claims Department

**END OF CONDITIONS AND STIPULATIONS**

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**ENDORSEMENT - ALTA 8.2-06**

**COMMERCIAL ENVIRONMENTAL  
PROTECTION LIEN**

Issued By:



CHICAGO TITLE INSURANCE COMPANY

Attached to Policy Number:

**9th AMENDED PROFORMA**

Charge: PROFORMA

The Company insures against loss or damage sustained by the Insured by reason of an environmental protection lien that, at Date of Policy, is recorded in the Public Records or filed in the records of the clerk of the United States district court for the district in which the Land is located, unless the environmental protection lien is set forth as an exception in Schedule B.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

**Chicago Title Insurance Company**

Dated: PROFORMA

Countersigned By:

**PROFORMA**

Authorized Officer or Agent

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ALTA 8.2-06-Commercial Environmental Protection Lien  
CLTA 110.9.1-06

(10/16/2008)  
(10/16/2008)



Printed: 05.03.18 @ 03:20 PM

CA-CT-FWPN-02180.052369-SPS-72067-1-FWPN-TO13000149

**ENDORSEMENT - SE 91**

**DELETION OF ARBITRATION**

Issued By:

Attached to Policy Number:



CHICAGO TITLE INSURANCE COMPANY

**9th AMENDED PROFORMA**

Charge: PROFORMA

The policy is hereby amended by deleting Paragraph 14 of the Conditions, relating to Arbitration.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

**Chicago Title Insurance Company**

Dated: PROFORMA

Countersigned By:

**PROFORMA**

Authorized Officer or Agent

This is a PROFORMA Policy. It does not reflect the present state of the Title and is not a commitment to (i) insure the Title or (ii) issue any of the attached endorsements. Any such commitment must be an express written undertaking on appropriate forms of the Company.



Issued By:



CHICAGO TITLE INSURANCE COMPANY

Attached to Policy Number:

9th AMENDED PROFORMA

Charge: PROFORMA

## 1. As used in this endorsement, the following terms shall mean:

- a. "Evicted" or "Eviction": (a) the lawful deprivation, in whole or in part, of the right of possession insured by this policy, contrary to the terms of the Lease or (b) the lawful prevention of the use of the Land or the Tenant Leasehold Improvements for the purposes permitted by the Lease, in either case as a result of a matter covered by this policy.
- b. "Lease": the lease described in Schedule A.
- c. "Leasehold Estate": the right of possession granted in the Lease for the Lease Term.
- d. "Lease Term": the duration of the Leasehold Estate, as set forth in the Lease, including any renewal or extended term if a valid option to renew or extend is contained in the Lease.
- e. "Personal Property": property, in which and to the extent the Insured has rights, located on or affixed to the Land on or after Date of Policy that by law does not constitute real property because (i) of its character and manner of attachment to the Land and (ii) the property can be severed from the Land without causing material damage to the property or to the Land.
- f. "Remaining Lease Term": the portion of the Lease Term remaining after the Insured has been Evicted.
- g. "Tenant Leasehold Improvements": Those improvements, in which and to the extent the Insured has rights, including landscaping, required or permitted to be built on the Land by the Lease that have been built at the Insured's expense or in which the Insured has an interest greater than the right to possession during the Lease Term.

## 2. Valuation of Estate or Interest Insured:

If in computing loss or damage it becomes necessary to value the Title, or any portion of it, as the result of an Eviction of the Insured, then, as to that portion of the Land from which the Insured is Evicted, that value shall consist of the value for the Remaining Lease Term of the Leasehold Estate and any Tenant Leasehold Improvements existing on the date of the Eviction. The Insured Claimant shall have the right to have the Leasehold Estate and the Tenant Leasehold Improvements affected by a defect insured against by the policy valued either as a whole or separately. In either event, this determination of value shall take into account rent no longer required to be paid for the Remaining Lease Term.

## 3. Additional items of loss covered by this endorsement:

If the Insured is Evicted, the following items of loss, if applicable to that portion of the Land from which the Insured is Evicted shall be included, without duplication, in computing loss or damage incurred by the Insured, but not to the extent that the same are included in the valuation of the Title determined pursuant to Section 2 of this endorsement, any other endorsement to the policy, or Section 8(a)(ii) of the Conditions:

This is a PROFORMA Policy. It does not reflect the present state of the Title and is not a commitment to (i) insure the Title or (ii) issue any of the attached endorsements. Any such commitment must be an express written undertaking on appropriate forms of the Company.

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- a. The reasonable cost of (i) removing and relocating any Personal Property that the Insured has the right to remove and relocate, situated on the Land at the time of Eviction, (ii) transportation of that Personal Property for the initial one hundred miles incurred in connection with the relocation, (iii) repairing the Personal Property damaged by reason of the removal and relocation, and (iv) restoring the Land to the extent damaged as a result of the removal and relocation of the Personal Property and required of the Insured solely because of the Eviction.
  - b. Rent or damages for use and occupancy of the Land prior to the Eviction that the Insured as owner of the Leasehold Estate may be obligated to pay to any person having paramount title to that of the lessor in the Lease.
  - c. The amount of rent that, by the terms of the Lease, the Insured must continue to pay to the lessor after Eviction with respect to the portion of the Leasehold Estate and Tenant Leasehold Improvements from which the Insured has been Evicted.
  - d. The fair market value, at the time of the Eviction, of the estate or interest of the Insured in any lease or sublease permitted by the Lease and made by the Insured as lessor of all or part of the Leasehold Estate or the Tenant Leasehold Improvements.
  - e. Damages caused by the Eviction that the Insured is obligated to pay to lessees or sublessees on account of the breach of any lease or sublease permitted by the Lease and made by the Insured as lessor of all or part of the Leasehold Estate or the Tenant Leasehold Improvements.
  - f. The reasonable cost to obtain land use, zoning, building and occupancy permits, architectural and engineering services and environmental testing and reviews for a replacement leasehold reasonably equivalent to the Leasehold Estate.
  - g. If Tenant Leasehold Improvements are not substantially completed at the time of Eviction, the actual cost incurred by the Insured, less the salvage value, for the Tenant Leasehold Improvements up to the time of Eviction. Those costs include costs incurred to obtain land use, zoning, building and occupancy permits, architectural and engineering services, construction management services, environmental testing and reviews, and landscaping.
4. This endorsement does not insure against loss, damage or costs of remediation (and the Company will not pay costs, attorneys' fees or expenses) resulting from environmental damage or contamination.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

**Chicago Title Insurance Company**

Dated: PROFORMA

Countersigned By:

PROFORMA  
Authorized Officer or Agent

This is a PROFORMA Policy. It does not reflect the present state of the Title and is not a commitment to (i) insure the Title or (ii) issue any of the attached endorsements. Any such commitment must be an express written undertaking on appropriate forms of the Company.

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ALTA 13-06-Leasehold  
CLTA 119.5-06

(04/02/2012)  
(04/02/2012)



### Master Lease Exhibit F: CFD Matters

All matters addressed in this Exhibit relate to the following actions, all of which the City has undertaken in accordance with the San Francisco Special Tax Financing Law (San Francisco Administration Code ch. 43, art. X), which incorporates the Mello-Roos Community Facilities Act of 1982 (Cal. Gov't Code §§ 53311-53368) (collectively, the "**CFD Law**"), by Board of Supervisors Resolution No. [**TO BE INSERTED**] (the "**Formation Resolution**") to implement the Financing Plan in the DDA between the Master Developer and the Port (collectively, the "**CFD Provisions**"). Unless specified otherwise, all statutory references in this Exhibit are to the California Government Code.

1. Formation of a Special Tax District. The City's actions in relation to the CFD Provisions include:

(a) formation of a community facilities district designated as "*City and County of San Francisco Special Tax District No. 2018-3 (Pier 70 Leased Properties)*" (the "**Special Tax District**") that includes the Premises within its boundaries;

(b) designation of property for potential future annexation to the Special Tax District (the "**Future Annexation Area**");

(c) approval of a rate and method of apportionment (the "**Rate and Method**"), a copy of which is attached to the Formation Resolution, for the calculation and levy of the Facilities Special Tax, the Shoreline Special Tax, the Arts Building Special Tax, and the Services Special Tax (as each term is defined in the Rate and Method) against all taxable property in the Special Tax District (collectively, the "**Special Taxes**");

(d) recordation of the "**Notice of Special Tax Lien**" against the real property in the Special Tax District in the Official Records of the City and County of San Francisco, as document number \_\_\_\_\_ pursuant to California Government Code Section 53328.3;

(e) authorization to issue bonds secured by one or more of the Special Taxes ("**Bonds**");

(f) authorization to use Bond proceeds and Special Taxes to finance the construction, completion, and acquisition of improvements described in the Formation Resolution (the "**CFD Improvements**"); and

(g) authorization to levy and use Special Taxes in perpetuity to finance services described in the Formation Resolution such as capital maintenance and repair of the CFD Improvements (the "**Services**").

2. Leasehold Subject to CFD Provisions. The Tenant acknowledges and agrees as follows.

(a) Its leasehold interest in the Premises is subject to the levy of Special Taxes and the Tenant will not have any right to amend the CFD Provisions.

(b) It is critical to each of the City, the Port, the Master Developer, and Tenant that the construction and completion of the CFD Improvements required to develop the Premises be coordinated in all respects (including cost, timing, capacity, function, and

type) with the construction and completion of the CFD Improvements for other property in the Special Tax District.

(c) If the Premises were excluded from the Special Tax District, or the Special Taxes to be levied on the Premises were reduced or eliminated, coordination of CFD Improvements required to develop the Premises with CFD Improvements for other property in the Special Tax District would be materially adversely affected.

3. Cooperation with CFD Matters. The Tenant agrees to the following with respect to the Special Tax District, the levy of the Special Taxes, and the issuance of any Bonds, at the Tenant's sole expense.

(a) The Tenant will:

i. if determined necessary by the City, and at the request of the City, cooperate with the City if the City decides to enter into a joint community facilities agreement or any other agreement necessary to finance CFD Improvements and Services (collectively, the "JCFA") that will be owned or operated by government agencies other than the City or its agencies.

(b) The Tenant will not, at any time or in any manner, contest, protest, or otherwise challenge any of the following:

- i. the formation of the Special Tax District;
- ii. the designation of the Future Annexation Area;
- iii. the authorization, levy, or amount of the Special Taxes on the Premises;
- iv. the authorization to issue the Bonds;
- v. the CFD Improvements and Services to be financed by the Special Tax District; and
- vi. the establishment of an appropriations limit for the Special Tax District.

(c) If required for the Special Tax District to levy Special Taxes or issue Bonds, the Tenant will acknowledge that the Premises are subject to the lien of the Special Tax District and the levy of Special Taxes and that the Special Tax District is authorized to issue Bonds.

(d) The Tenant will not bring any action, suit, or proceeding against the Special Tax District or the City; provided, however, that after exhausting its appeal rights under the Rate and Method, the Tenant may bring an action, suit, or proceeding against the Special Tax District or the City if it relates solely to an allegation that the Special Taxes have not been levied in accordance with the Rate and Method.

(e) The Tenant will not take any action that would in any way interfere with the operation of the Special Tax District or decisions made or actions taken with respect to the Special Tax District's formation or the issuance of Bonds, including when Special Taxes are first levied, the amount of Special Taxes, the apportionment of Special Taxes, and the use of the Special Taxes collected by the Special Tax District.

4. The following definitions apply to this Exhibit.

(a) “**Actual Knowledge**” means the knowledge that the person signing this Lease has on the date of execution of this Lease or has obtained from:

i. interviews with current officers and responsible employees of the Tenant and its Affiliates that the person has determined are likely, in the ordinary course of their respective duties, to have knowledge of the matters set forth in this Lease;

ii. a review of documents that the person determined were reasonably necessary to obtain knowledge of the matters set forth in this Lease; or

iii. both, in any case without conducting any extraordinary inspection or inquiry except as prudent and customary in connection with the ordinary course of the Tenant’s current business and operations or contacting individuals who are no longer employees of the Tenant or its Affiliates.

(b) “**Affiliate**” means any person that directly or indirectly, through one or more intermediaries:

i. exercises managerial control over the Tenant; or

ii. is under managerial control of the Tenant; and

iii. in each case, about whom information could be material to potential investors deciding whether to invest in future Bonds.

(c) “**Related Property**” means any real property interest owned or held by the Tenant or any of its Affiliates.

5. Compliance. The Tenant represents and warrants as follows and agrees that if its representations and warranties are discovered to be untrue after the Effective Date of this Lease, the Port may, in its discretion, elect to terminate this Lease.

(a) With respect to Related Property located within the boundaries of a development project in California, except as set forth in **Attachment 1**, to Tenant’s Actual Knowledge, neither Tenant nor Tenant’s Affiliates within the last five years have:

i. intentionally failed to pay when due any property taxes, special taxes, or assessments levied or assessed against the Related Property; or

ii. owned any interest in Related Property that became either tax-deeded to California or the subject of foreclosure proceedings for failure to pay property taxes, special taxes, or assessments levied or assessed against the Related Property.

(b) With respect to Related Property located within the boundaries of a development project outside of California, except as set forth in **Attachment 1**, to Tenant’s Actual Knowledge, neither Tenant nor Tenant’s Affiliates within the last five years have owned any interest in Related Property that became either tax-deeded to a governmental agency or the subject of foreclosure proceedings for failure to pay special taxes or assessments that secure the payment of bonds and that were levied or assessed against the Related Property.

(c) Except as set forth in **Attachment 1**, neither the Tenant nor its Affiliates have failed to comply in the last five years under any continuing disclosure agreement relating to Related Property in projects in California.

6. Acknowledgment of the Rate and Method. The Rate and Method has been provided to the Tenant prior to the Effective Date of this Lease. The Tenant has read and, if deemed necessary, consulted with counsel, regarding the provisions of the Rate and Method.

7. Issuance of Bonds. This Section will apply to the Special Tax District's issuance of Bonds at any time.

(a) The Tenant will provide, at the request of the City or any Financing Participant (as defined in subsection (c) below), certificates or other documents executed by each secured lender that provided funds for the Tenant's development of the Premises signifying the lender's acknowledgment of:

- i. the imposition of the Special Taxes on the Premises;
- ii. the issuance of Bonds; and
- iii. the Special Tax District's foreclosure rights if the Tenant is delinquent in the payment of Special Taxes.

(b) The Tenant acknowledges that Bonds may be issued in one or more series over time, that the issuance of each series of Bonds may require information and documents to be provided by the Tenant, and that the timely provision of that information and documents for each series of Bonds is critical for the Master Developer and the Port to achieve their respective financial goals. The Tenant's obligations will arise with the issuance of each series of Bonds and continue as provided in any related continuing disclosure agreement.

(c) The Tenant will not interfere with or impede the issuance of any series of Bonds issued by or in connection with the Special Tax District and will, at the Tenant's expense, provide information in connection with each series of Bonds as requested by any of the following (collectively, the "**Financing Participants**"):

- i. the City, the Port, and any other JCFA Party, or any of their agents, including bond counsel and disclosure counsel;
- ii. appraisers engaged to appraise the Leasehold;
- iii. market absorption consultants;
- iv. underwriters and underwriters' counsel;
- v. financial advisors associated with the Bonds or the Special Tax District; and
- vi. persons providing credit enhancement for the Bonds or the Special Tax District.

(d) The Tenant will provide, at Tenant's expense, required information, which may include:

- i. a description of the Tenant's financing sources to develop the Premises;

- ii. a description of the proposed development project and the ownership structure of the Tenant;
- iii. the status of the Premises, including the rent roll and vacancy history;
- iv. any history of delinquencies and defaults by the Tenant and its Affiliates, including the information disclosed in **Attachment 1**;
- v. the Tenant's financial statements, which may be consolidated with its parent company and, for publicly traded companies where the Tenant's financial statements are consolidated with the publicly traded company, may be limited to those financial statements required by SEC Regulations;
- vi. other financial and operating information, including a development pro forma, with respect to the Tenant and the Premises;
- vii. certificates requested by the Financing Participants, which may include representations on:
  - 1. the due formation of the Tenant;
  - 2. the due execution of documents executed by the Tenant in connection with the Special Tax District or any Bonds;
  - 3. no material litigation or investigation by or against the Tenant or its Affiliates that seeks to prohibit, restrain, or enjoin the development of the Premises, or in which the Tenant or its Affiliates may be adjudicated as bankrupt or discharged from any or all debts or obligations or granted an extension of time to pay or a reorganization or readjustment of its debts, or which, if determined adversely to the Tenant or its Affiliates, could adversely affect the development of the Premises and the payment of the Special Taxes; and
  - 4. the accuracy of the information provided in connection with the issuance of any series of Bonds, including the information in all disclosure documents; and
- viii. opinions of counsel to the Tenant requested by any of the Financing Participants, which may include any matter listed in **clause (vii)** of this Subsection and a 10b-5 opinion regarding any disclosure about the Tenant and its Affiliates in the offering statement used to market the Bonds.

(e) The City will decide on the amount and application of any capitalized interest in consultation with the Master Developer, and the Tenant will not contest the amount and application of capitalized interest.

(f) This Subsection will apply if any of the Financing Participants requires a renewable letter of credit, cash, or other form of credit enhancement ("**Special Tax Security**") in connection with the issuance of the Bonds.

- i. The Tenant will provide Special Tax Security that is acceptable to the Financing Participants in an amount no greater than two years' levy of Special

Taxes against the Premises by the Special Tax District, as reasonably determined by any of the Financing Participants,

ii. In addition, if the Master Developer (or any current owner of the Premises) posted Special Tax Security with respect to the Premises before the Close of Escrow, the Tenant will provide replacement Special Tax Security with respect to the Premises acceptable to the Financing Participants. The Tenant's posting of replacement Special Tax Security will be a condition precedent to the Effective Date of this Lease.

iii. The Tenant acknowledges that the Special Tax Security is intended to secure the Special Tax payments by the Tenant and its successors and assigns, but not any sub-tenants of less than the whole of the Premises or apartment dwellers.

iv. Any letter of credit must be provided by an issuer acceptable to the Financing Participants and have a minimum "A" long-term debt rating (or the equivalent "A" designation) from both Standard & Poor's and Moody's Investors Service, unless the Financing Participants agree to a lower rating.

(g) Any reimbursements from the proceeds of any Bonds or directly from any Special Taxes (or prepayments of Special Taxes) for the costs of authorized CFD Improvements, returns of deposits, or payments of the costs of issuance will be the property of the Master Developer (as between the Master Developer and the Tenant), regardless of the time of the original payment or the identity of the party that made the payment. Should the Tenant receive any such reimbursements, or should the Tenant receive the return or reimbursement of any deposits with any governmental entity or utility related to authorized CFD Improvements, the Tenant will endorse and tender the payment to the Master Developer immediately.

(h) The Tenant will execute and perform under any continuing disclosure agreement as requested by any of the Financing Participants. In addition, if, prior to the Effective Date, the Master Developer has entered into a continuing disclosure agreement, the Tenant will assume the obligations under the continuing disclosure agreement with respect to the Premises, in the form and manner required by the Financing Participants and the continuing disclosure agreement. The assumption of any continuing disclosure agreement will be a condition precedent to the Effective Date of this Lease.

8. Cooperation to Amend the Special Tax District.

(a) The Tenant acknowledges that the Port, the Master Developer, or the City may request proceedings to amend any CFD Provisions ("**Change Proceedings**"). **Subsection 8(b)** will apply so long as the changes contemplated by the Change Proceedings:

i. do not increase the Special Tax rates to be levied on the Premises above Special Tax rates for the Premises, escalated to the date of calculation, under the Rate and Method;

ii. do not change the Rate and Method so that the Tenant is taxed sooner than under the current version of the Rate and Method; and



iii. do not result in more favorable treatment of one or more other tenants or property owners in the Special Tax District compared to the treatment of the Tenant and the Premises.

(b) Subject to **Subsection 8(a)**, the Tenant shall not contest, protest, or otherwise challenge Change Proceedings to the Special Tax District.

9. Annexation of Property to the Special Tax District.

(a) The Tenant acknowledges that in accordance with the CFD Law:

i. the City has designated certain property as a Future Annexation Area to the Special Tax District;

ii. from time to time, parcels of the Future Annexation Area may be annexed to the Special Tax District by execution of a unanimous written consent of the owners of the parcels of Future Annexation Area to be annexed without a public hearing or election; and

iii. the Master Developer, City, and Port may also request annexation of additional property to the Special Tax District.

(b) The Tenant will not:

i. contest, protest, or otherwise challenge the annexation of any additional property to the Special Tax District as described in **Section 9(a)** above, or the imposition of the levy of Special Taxes on the annexed property; or

ii. take any action that would in any way interfere with the operation of the Special Tax District or decisions made or actions taken by the Master Developer or the owners of property (including the owners of the Future Annexation Area) with respect to the annexation of additional property to the Special Tax District.

10. Activity in Other Special Tax Districts. The Tenant acknowledges that other parcels in the SUD are included in a separate special tax district formed by the City (the "**Other STD**") and agrees not to:

(a) contest, protest, or otherwise challenge the formation, implementation, levy of special taxes in, or issuance of bonds by the Other STD, or the annexation of additional property to, or any Change Proceedings conducted with respect to, the Other STD; or

(b) take any other action that would in any way interfere with the operation of the Other STD or decisions made or actions taken by the City, the Port, and the Master Developer with respect to the Other STD.

11. Shortfall Provisions.

(a) All capitalized terms used in this **Section 11** that are not otherwise defined herein shall have the meaning given such terms in the Appendix to the DDA (the "**Appendix**").

(b) The Tenant agrees to refrain from initiating a Reassessment to reduce the Baseline Assessed Value or later Current Assessed Value of the Premises until the IFD Termination Date.

(c) If the Tenant initiates a Reassessment on the Premises in violation of **Section 11(b)** above, then the following shall occur:

- a. Tenant will pay the Port the Assessment Shortfall within 20 days after the Port delivers its payment demand. Amounts not paid when due will bear interest at the rate of 10%, compounded annually, until paid.
- b. The obligation to pay the Assessment Shortfall will begin in the City Fiscal Year following the Reassessment and continue until the earlier to occur of the following dates: (A) the applicable IFD Termination Date; and (B) when the Assessment Shortfall is reduced to zero.

12. Acquisition Agreement.

The Tenant acknowledges that the Tenant is not and will not become either a party, a third-party beneficiary, or an assignee to the Acquisition and Reimbursement Agreement between the Master Developer and the Port (the “**Acquisition Agreement**”), and that any reimbursements from the proceeds of Bonds or Special Taxes for the costs of authorized CFD Improvements under the Acquisition Agreement will be the property of the Master Developer, regardless of the time of the original payment or the identity of the party that made the payment. Should the Tenant receive any reimbursements, or should the Tenant receive the return or reimbursement of any deposits that were intended to be financed with Special Taxes or Bonds, the Tenant shall endorse and tender the payment to the Master Developer promptly. The Tenant further agrees not to contest, protest or otherwise challenge the rights or obligations of the Master Developer or the Port under the Acquisition Agreement.

13. General Provisions.

(a) The Tenant will pay prior to delinquency all Special Taxes levied on the Premises while the Tenant or any Affiliate has a leasehold interest in the Premises.

(b) The Tenant will not petition, support, encourage, consent to, or implement any action seeking to reduce or repeal the levying of all or any part of the Special Taxes in the Special Tax District, except at the written request of the Port, the Master Developer, and the City.

(c) The Tenant will disclose the requirements of this Exhibit to any Subtenant of the entirety of the Premises and require each such Subtenant to enter into an agreement with the Tenant, the Port, and the Master Developer assuming the Tenant’s obligations under this Exhibit. This paragraph will not apply to any rentals to apartment dwellers or Subtenants of less than all of the Premises. If required, the Tenant will comply with disclosures required by Section 53341.5.

(d) The Master Developer is an express third-party beneficiary of the covenants and agreements of this Exhibit and may enforce each provision against the Tenant as if the Master Developer were a party to this Lease.

(e) The Port is required to provide to the Tenant a notice of special tax pursuant to Section 53341.5 regarding the Special Taxes in the Rate and Method (the

“Notice of Special Tax”). The Notice of Special Tax is attached as **Exhibit XXXX** and the Tenant shall execute and return to the Port a copy of the Notice of Special Tax within three business days after executing this Lease.

(f) The covenants and provisions contained in this Exhibit remain in effect for the term of this Lease.

Attachment I: Certain Representations of Tenant  
Exhibit XXXX: Notice of Special Tax

**MASTER LEASE EXHIBIT G**

File No. 2014-001272ENV  
 Pier 70 Mixed-Use District Project  
 Planning Commission Motion No. 19977

MITIGATION MONITORING AND REPORTING PROGRAM FOR PIER 70 MIXED-USE DISTRICT PROJECT					
MEASURES ADOPTED AS CONDITIONS OF APPROVAL	Implementation Responsibility	Mitigation Schedule	Monitoring/ Reporting Responsibility	Monitoring Schedule	Monitoring Agency
<b>MITIGATION MEASURES FOR THE PIER 70 MIXED-USE DISTRICT PROJECT</b>					
<i>Cultural Resources (Archaeological Resources) Mitigation Measures</i>					
<p><b>M-CR-1a: Archeological Testing, Monitoring, Data Recovery and Reporting</b></p> <p>Based on a reasonable presumption that archeological resources may be present within the project site, the following measures shall be undertaken to avoid any potentially significant adverse effect from the Proposed Project on buried or submerged historical resources. The project sponsors shall retain the services of an archeological consultant from rotational Department Qualified Archeological Consultants List (QACL) maintained by the Planning Department archeologist. The project sponsors shall contact the Department archeologist to obtain the names and contact information for the next three archeological consultants on the QACL. The archeological consultant shall undertake an archeological testing program as specified herein. In addition, the consultant shall be available to conduct an archeological monitoring and/or data recovery program if required pursuant to this measure. The archeological consultant's work shall be conducted in accordance with this measure at the direction of the Environmental Review Officer (ERO). All plans and reports prepared by the consultant as specified herein shall be submitted first and directly to the ERO for review and comment, and shall be considered draft reports subject to revision until final approval by the ERO. Archeological monitoring and/or data recovery programs required by this measure could suspend construction of the project for up to a maximum of four weeks. At the direction of the ERO, the</p>	<p>Project sponsors<sup>2</sup> to retain qualified professional archeologist from the pool of archeological consultants maintained by the Planning Department.</p> <p>The archeological consultant shall undertake an archeological testing program as specified herein.</p> <p>Project sponsors,</p>	<p>Prior to the issuance of site permits, submittal of all plans and reports for approval by the ERO.</p>	<p>Archaeological consultant's work shall be conducted in accordance with this measure at the direction of the ERO.</p>	<p>Considered complete when project sponsor retains a qualified professional archeological consultant and archeological consultant has approved scope by the ERO for the archeological testing program</p>	<p>Planning Department</p>

<sup>1</sup> Both the City and the Port have jurisdiction over portions of the Project Site. This column identifies the agency or agencies with monitoring responsibility for each mitigation and improvement measure. The 28-Acre Site and 20<sup>th</sup>/Illinois Parcels are located within the Port's building permit jurisdiction. The Hoedown Yard parcel is located within the San Francisco Department of Building Inspection (DBI).

<sup>2</sup> Note: For purposes of this MMRP, unless otherwise indicated, the term "project sponsor" shall mean the party (i.e., the Developer under the DDA, a Vertical Developer (as defined in the DDA) or Port, as applicable, and their respective contractors and agents) that is responsible under the Project documents for construction of the improvements to which the Mitigation Measure applies, or otherwise assuming responsibility for implementation of the mitigation measure.

**MASTER LEASE EXHIBIT G**

File No. 2014-001272ENV  
 Pier 70 Mixed-Use District Project  
 Planning Commission Motion No. 19977

MITIGATION MONITORING AND REPORTING PROGRAM FOR PIER 70 MIXED-USE DISTRICT PROJECT					
MEASURES ADOPTED AS CONDITIONS OF APPROVAL	Implementation Responsibility	Mitigation Schedule	Monitoring/ Reporting Responsibility	Monitoring Schedule	Monitoring Agency
<p>suspension of construction can be extended beyond four weeks only if such a suspension is the only feasible means to reduce to a less than significant level potential effects on a significant archeological resource as defined in State CEQA Guidelines Section 15064.5 (a) and (c).</p> <p><u>Consultation with Descendant Communities</u></p> <p>On discovery of an archeological site associated with descendant Native Americans, the Overseas Chinese, or other potentially interested descendant group, an appropriate representative of the descendant group and the ERO shall be contacted. The representative of the descendant group shall be given the opportunity to monitor archeological field investigations of the site and to consult with the ERO regarding appropriate archeological treatment of the site, of recovered data from the site, and, if applicable, any interpretative treatment of the associated archeological site. A copy of the Final Archeological Resources Report shall be provided to the representative of the descendant group.</p>	<p>archaeological consultant shall contact the ERO and descendant group representative upon discovery of an archaeological site associated with descendant Native Americans or the Overseas Chinese. The representative of the descendant group shall be given the opportunity to monitor archaeological field investigations on the site and consult with the ERO regarding appropriate archaeological treatment of the site, of recovered data from the site, and, if applicable, any interpretative treatment of the associated archaeological site.</p>	<p>For the duration of soil-disturbing activities.</p>	<p>Archaeological Consultant shall prepare a Final Archaeological Resources Report in consultation with the ERO (per below). A copy of this report shall be provided to the ERO and the representative of the descendant group.</p>	<p>Considered complete upon submittal of Final Archaeological Resources Report.</p>	
<u>Archeological Testing Program</u>	<u>Development of</u>	Prior to any	Archaeological	Considered	Planning

**MASTER LEASE EXHIBIT G**

File No. 2014-001272ENV  
 Pier 70 Mixed-Use District Project  
 Planning Commission Motion No. 19977

<b>MITIGATION MONITORING AND REPORTING PROGRAM FOR PIER 70 MIXED-USE DISTRICT PROJECT</b>					
<b>MEASURES ADOPTED AS CONDITIONS OF APPROVAL</b>	<b>Implementation Responsibility</b>	<b>Mitigation Schedule</b>	<b>Monitoring/ Reporting Responsibility</b>	<b>Monitoring Schedule</b>	<b>Monitoring Agency</b>
<p>The archeological consultant shall prepare and submit to the ERO for review and approval an archeological testing plan (ATP). The archeological testing program shall be conducted in accordance with the approved ATP. The ATP shall identify the property types of the expected archeological resource(s) that potentially could be adversely affected by the Proposed Project, the testing method to be used, and the locations recommended for testing. The purpose of the archeological testing program will be to determine to the extent possible the presence or absence of archeological resources and to identify and to evaluate whether any archeological resource encountered on the site constitutes an historical resource under CEQA.</p> <p>At the completion of the archeological testing program, the archeological consultant shall submit a written report of the findings to the ERO. If based on the archeological testing program the archeological consultant finds that significant archeological resources may be present, the ERO in consultation with the archeological consultant shall determine if additional measures are warranted. Additional measures that may be undertaken include additional archeological testing, archeological monitoring, and/or an archeological data recovery program. If the ERO determines that a significant archeological resource is present and that the resource could be adversely affected by the Proposed Project, at the discretion of the project sponsors either:</p> <p>A) The Proposed Project shall be redesigned so as to avoid any adverse effect on the significant archeological resource; or</p> <p>B) A data recovery program shall be implemented, unless the ERO determines that the archeological resource is of greater interpretive than research significance and that interpretive use of the resource is feasible.</p>	<p>ATP: Project sponsors and archeological consultant in consultation with the ERO.</p> <p><u>Archeological Testing Report:</u>                      Project sponsors and archeological consultant in consultation with the ERO.</p>	<p>excavation, site preparation or construction, and prior to testing, an ATP for a defined geographic area and/or specified construction activities is to be submitted to and approved by the ERO. A single ATP or multiple ATPs may be produced to address project phasing.</p> <p>At the completion of each archeological testing program.</p>	<p>consultant to undertake ATP in consultation with ERO.</p> <p>Archaeological consultant to submit results of testing, and in consultation with ERO, determine whether additional measures are warranted. If significant archaeological</p>	<p>complete with approval of the ATP by the ERO and on finding by the ERO that the ATP is implemented.</p> <p>Considered complete on submittal to ERO of report(s) on ATP findings.</p>	<p>Department</p>

**MASTER LEASE EXHIBIT G**

File No. 2014-001272ENV  
 Pier 70 Mixed-Use District Project  
 Planning Commission Motion No. 19977

MITIGATION MONITORING AND REPORTING PROGRAM FOR PIER 70 MIXED-USE DISTRICT PROJECT					
MEASURES ADOPTED AS CONDITIONS OF APPROVAL	Implementation Responsibility	Mitigation Schedule	Monitoring/Reporting Responsibility	Monitoring Schedule	Monitoring Agency
<p><u>Archeological Monitoring Program</u></p> <p>If the ERO in consultation with the archeological consultant determines that an archeological monitoring program (AMP) shall be implemented, the AMP would minimally include the following provisions:</p> <ul style="list-style-type: none"> <li>The archeological consultant, project sponsors, and ERO shall meet and consult on the scope of the AMP prior to any project-related soils disturbing activities commencing. The ERO in consultation with the archeological consultant shall determine what project activities shall be archeologically monitored. A single AMP or multiple AMPs may be produced to address project phasing. In most cases, any soils-disturbing activities, such as demolition, foundation removal, excavation, grading, utilities installation, foundation work, driving of piles (foundation, shoring, etc.), site remediation, etc., shall require archeological monitoring</li> </ul>	<p>Project sponsors and archeological consultant at the direction of the ERO.</p>	<p>The archeological consultant, project sponsors, and ERO shall meet prior to the commencement of soil-disturbing activities for a defined geographic area and/or specified construction</p>	<p>If required, archeological consultant to prepare the AMP in consultation with the ERO.</p>	<p>Considered complete on approval of AMP(s) by ERO; submittal of report regarding findings of AMP(s); and finding by ERO that AMP(s) is implemented.</p>	<p>Planning Department</p>
			<p>resources are present and may be adversely affected, project sponsors, at its discretion, may elect to redesign a project, or implement data recovery program, unless ERO determines the archeological resource is of greater interpretive significance and that interpretive use is feasible.</p>		

**MASTER LEASE EXHIBIT G**

File No. 2014-001272ENV  
 Pier 70 Mixed-Use District Project  
 Planning Commission Motion No. 19977

MITIGATION MONITORING AND REPORTING PROGRAM FOR PIER 70 MIXED-USE DISTRICT PROJECT					
MEASURES ADOPTED AS CONDITIONS OF APPROVAL	Implementation Responsibility	Mitigation Schedule	Monitoring/Reporting Responsibility	Monitoring Schedule	Monitoring Agency
<p>because of the risk these activities pose to potential archeological resources and to their depositional context. The archeological consultant shall advise all project contractors to be on the alert for evidence of the presence of the expected resource(s), of how to identify the evidence of the expected resource(s), and of the appropriate protocol in the event of apparent discovery of an archeological resource;</p> <ul style="list-style-type: none"> <li>The archeological monitor(s) shall be present on the project site according to a schedule agreed upon by the archeological consultant and the ERO until the ERO has, in consultation with project archeological consultant, determined that project construction activities could have no effects on significant archeological deposits;</li> <li>The archeological monitor shall record and be authorized to collect soil samples and artifactual/ecofactual material as warranted for analysis;</li> </ul> <p>If an intact archeological deposit is encountered, all soils-disturbing activities in the vicinity of the deposit shall cease. The archeological monitor shall be empowered to temporarily redirect demolition/excavation/pile driving/construction activities and equipment until the deposit is evaluated. If in the case of pile driving activity (foundation, shoring, etc.), the archeological monitor has cause to believe that the pile driving activity may affect an archeological resource, pile driving activity that may affect the archeological resource shall be suspended until an appropriate evaluation of the resource has been made in consultation with the ERO. The archeological consultant shall immediately notify the ERO of the encountered archeological deposit. The archeological consultant shall make a reasonable effort to assess the identity, integrity, and significance of the encountered archeological deposit, and present the findings of this assessment to the ERO. If the ERO determines that a significant archeological resource is present and that the resource could be adversely affected by the Proposed Project, at the</p>		<p>activities. The ERO in consultation with the archeological consultant shall determine what archeological monitoring is necessary. A single AMP or multiple AMPs may be produced to address project phasing.</p>			



**MASTER LEASE EXHIBIT G**

File No. 2014-001272ENV  
 Pier 70 Mixed-Use District Project  
 Planning Commission Motion No. 19977

MITIGATION MONITORING AND REPORTING PROGRAM FOR PIER 70 MIXED-USE DISTRICT PROJECT					
MEASURES ADOPTED AS CONDITIONS OF APPROVAL	Implementation Responsibility	Mitigation Schedule	Monitoring/Reporting Responsibility	Monitoring Schedule	Monitoring Agency
<p>discretion of the project sponsors either:</p> <p>A) The Proposed Project shall be redesigned so as to avoid any adverse effect on the significant archeological resource; or</p> <p>B) A data recovery program shall be implemented, unless the ERO determines that the archeological resource is of greater interpretive than research significance and that interpretive use of the resource is feasible.</p> <p>Whether or not significant archeological resources are encountered, the archeological consultant shall submit a written report of the findings of the monitoring program to the ERO.</p> <p><u>Archeological Data Recovery Program</u></p> <p>If the ERO, in consultation with the archeological consultant, determines that an archeological data recovery program shall be implemented based on the presence of a significant resource, the archeological data recovery program shall be conducted in accord with an archeological data recovery plan (ADRP). No archeological data recovery shall be undertaken without the prior approval of the ERO or the Planning Department archeologist. The archeological consultant, project sponsors, and ERO shall meet and consult on the scope of the ADRP prior to preparation of a draft ADRP. The archeological consultant shall submit a draft ADRP to the ERO. The ADRP shall identify how the proposed data recovery program will preserve the significant information the archeological resource is expected to contain. That is, the ADRP will identify what scientific/historical research questions are applicable to the expected resource, what data classes the resource is expected to possess, and how the expected data classes would address the applicable research questions. Data recovery, in general, shall be limited to the portions of the historical property that could be adversely affected by the Proposed Project. Destructive data recovery methods shall not be applied to portions of the archeological resources if nondestructive methods are practical.</p>	Project sponsors and archeological consultant at the direction of the ERO.	Upon determination by the ERO that an ADRP is required. A single ADRP or multiple ADRPs may be produced to address project phasing.	If required, archeological consultant to prepare an ADRP(s) in consultation with the ERO.	Considered complete on submittal of ADRP(s) to ERO.	

**MASTER LEASE EXHIBIT G**

File No. 2014-001272ENV  
 Pier 70 Mixed-Use District Project  
 Planning Commission Motion No. 19977

<b>MITIGATION MONITORING AND REPORTING PROGRAM FOR PIER 70 MIXED-USE DISTRICT PROJECT</b>					
<b>MEASURES ADOPTED AS CONDITIONS OF APPROVAL</b>	<b>Implementation Responsibility</b>	<b>Mitigation Schedule</b>	<b>Monitoring/ Reporting Responsibility</b>	<b>Monitoring Schedule</b>	<b>Monitoring Agency</b>
<p>The scope of the ADRP shall include the following elements:</p> <ul style="list-style-type: none"> <li>• <i>Field Methods and Procedures.</i> Descriptions of proposed field strategies, procedures, and operations.</li> <li>• <i>Cataloguing and Laboratory Analysis.</i> Description of selected cataloguing system and artifact analysis procedures.</li> <li>• <i>Discard and Deaccession Policy.</i> Description of and rationale for field and post-field discard and deaccession policies.</li> <li>• <i>Interpretive Program.</i> Consideration of an on-site/off-site public interpretive program during the course of the archeological data recovery program.</li> <li>• <i>Security Measures.</i> Recommended security measures to protect the archeological resource from vandalism, looting, and non-intentionally damaging activities.</li> <li>• <i>Final Report.</i> Description of proposed report format and distribution of results.</li> <li>• <i>Curation.</i> Description of the procedures and recommendations for the curation of any recovered data having potential research value, identification of appropriate curation facilities, and a summary of the accession policies of the curation facilities.</li> </ul> <p><b>Human Remains and Associated or Unassociated Funerary Objects</b>                      The treatment of human remains and of associated or unassociated funerary objects discovered during any soils disturbing activity shall comply with applicable State and Federal laws. This shall include immediate notification of the coroner of the City and County of San Francisco and in the event of the coroner's determination that the human remains are Native American remains, notification of the California State Native American Heritage Commission (NAHC) who shall appoint a Most Likely Descendant (MLD) (Pub. Res. Code Sec. 5097.98). The archeological consultant, project</p>	<p>Project sponsors and archeological consultant, in consultation with the San Francisco Coroner, NAHC, ERO, and MLD.</p>	<p>In the event human remains and/or funerary objects are encountered.</p>	<p>Archeological consultant/archaeological monitor/project sponsors or contractor to contact San Francisco County Coroner and ERO.</p>	<p>Ongoing during soils disturbing activity. Considered complete on notification of the San Francisco County Coroner</p>	<p>Planning Department</p>

**MASTER LEASE EXHIBIT G**

File No. 2014-001272ENV  
 Pier 70 Mixed-Use District Project  
 Planning Commission Motion No. 19977

MITIGATION MONITORING AND REPORTING PROGRAM FOR PIER 70 MIXED-USE DISTRICT PROJECT					
MEASURES ADOPTED AS CONDITIONS OF APPROVAL	Implementation Responsibility	Mitigation Schedule	Monitoring/Reporting Responsibility	Monitoring Schedule	Monitoring Agency
<p>sponsors, ERO, and MLD shall make all reasonable efforts to develop an agreement for the treatment of, with appropriate dignity, human remains and associated or unassociated funerary objects (State CEQA Guidelines Section 15064.5(d)). The agreement shall take into consideration the appropriate excavation, removal, recordation, analysis, custodianship, curation, and final disposition of the human remains and associated or unassociated funerary objects. The archeological consultant shall retain possession of any Native American human remains and associated or unassociated burial objects until completion of any scientific analyses of the human remains or objects as specified in the treatment agreement if such an agreement has been made or, otherwise, as determined by the archeological consultant and the ERO.</p>			Implement regulatory requirements, if applicable, regarding discovery of Native American human remains and associated/unassociated funerary objects. Contact archeological consultant and ERO.	and NAHC, if necessary.	
<p><u>Final Archeological Resources Report</u>                      The archeological consultant shall submit a Final Archeological Resources Report (FARR) to the ERO that evaluates the historical significance of any discovered archeological resource and describes the archeological and historical research methods employed in the archeological testing/monitoring/data recovery program(s) undertaken. Information that may put at risk any archeological resource shall be provided in a separate removable insert within the final report. The FARR may be submitted at the conclusion of all construction activities associated with the Proposed Project or on a parcel-by-parcel basis.</p> <p>Once approved by the ERO, copies of the FARR shall be distributed as follows: California Archaeological Site Survey Northwest Information Center (NWIC) shall receive one (1) copy and the ERO shall receive a copy of the transmittal of the FARR to the NWIC. The Environmental Planning division of the Planning Department shall receive one bound, one unbound and one unlocked, searchable PDF copy on CD of the FARR along with copies of any formal site recordation forms (CA DPR 523 series) and/or documentation for nomination to the National Register of Historic Places/California Register of Historical Resources. In instances of high</p>	<p>Project sponsors and archeological consultant at the direction of the ERO.</p> <p>The ERO shall provide to the archeological consultant(s) preparing the FARR reports and relevant data obtained through implementation of this Mitigation Measure M-CR-1a.</p>	<p>For Horizontal Developer-prior to determination of substantial completion of infrastructure at each sub-phase</p> <p>For Vertical Developer-prior to issuance of Certificate of Temporary or Final Occupancy, whichever occurs first</p>	<p>If applicable, archeological consultant to submit a Draft and final FARR to ERO based on reports and relevant data provided by the ERO</p> <p>Archeological consultant to distribute FARR.</p>	<p>Considered complete on submittal of FARR and approval by ERO.</p> <p>Considered complete when archeological consultant provides written certification to the ERO that the required FARR</p>	<p>Planning Department</p>

**MASTER LEASE EXHIBIT G**

File No. 2014-001272ENV  
 Pier 70 Mixed-Use District Project  
 Planning Commission Motion No. 19977

MITIGATION MONITORING AND REPORTING PROGRAM FOR PIER 70 MIXED-USE DISTRICT PROJECT					
MEASURES ADOPTED AS CONDITIONS OF APPROVAL	Implementation Responsibility	Mitigation Schedule	Monitoring/ Reporting Responsibility	Monitoring Schedule	Monitoring Agency
<p>public interest in or the high interpretive value of the resource, the ERO may require a different final report content, format, and distribution than that presented above.</p> <p><b>M-CR-1b: Interpretation</b>                      Based on a reasonable presumption that archeological resources may be present within the project site, and to the extent that the potential significance of some such resources is premised on CRHR Criteria 1 (Events), 2 (Persons), and/or 3 (Design/Construction), the following measure shall be undertaken to avoid any potentially significant adverse effect from the Proposed Project on buried or submerged historical resources if significant archeological resources are discovered.</p> <p>The project sponsors shall implement an approved program for interpretation of significant archeological resources. The interpretive program may be combined with the program required under Mitigation Measure M-CR-4b: Public Interpretation. The project sponsors shall retain the services of a qualified archeological consultant from the rotational Department Qualified Archeological Consultants List (QACL) maintained by the Planning Department archeologist having expertise in California urban historical and marine archeology. The archeological consultant shall develop a feasible, resource-specific program for post-recovery interpretation of resources. The particular program for interpretation of artifacts that are encountered within the project site will depend upon the results of the data recovery program and will be the subject of continued discussion between the ERO, consulting archeologist, and the project sponsors. Such a program may include, but is not limited to, any of the following (as outlined in the ARDTP): surface commemoration of the original location of resources; display of resources and associated artifacts (which may offer an underground view to the public); display of interpretive materials such as graphics, photographs, video, models, and public art; and academic and popular publication of the results of the data recovery. The interpretive program shall include an on-site</p>	<p>Project sponsors and archeological consultant at the direction of the ERO.</p>	<p>If applicable, upon approval of the FARR by the ERO.</p> <p>Prior to issuance of final certificate of occupancy</p>	<p>Archeological consultant shall develop a feasible, resource-specific program for post-recovery interpretation of resources. All plans and recommendations for interpretation by the archeological consultant shall be submitted first and directly to the ERO for review and comment, and shall be considered draft reports subject to revision until deemed final by the ERO. The ERO to approve final interpretation program. Project sponsors to implement an approved</p>	<p>distribution has been completed.</p> <p>Considered complete upon installation of approved interpretation program, if required.</p>	<p>Planning Department</p>

MASTER LEASE EXHIBIT G

File No. 2014-001272ENV  
 Pier 70 Mixed-Use District Project  
 Planning Commission Motion No. 19977

MITIGATION MONITORING AND REPORTING PROGRAM FOR PIER 70 MIXED-USE DISTRICT PROJECT					
MEASURES ADOPTED AS CONDITIONS OF APPROVAL	Implementation Responsibility	Mitigation Schedule	Monitoring/ Reporting Responsibility	Monitoring Schedule	Monitoring Agency
<p>component.</p> <p>The archeological consultant's work shall be conducted at the direction of the ERO, and in consultation with the project sponsors. All plans and recommendations for interpretation by the consultant shall be submitted first and directly to the ERO for review and comment, and shall be considered draft reports subject to revision until final approval by the ERO.</p> <p><b>Mitigation Measure M-CR-5: Preparation of Historic Resource Evaluation Reports, Review, and Performance Criteria.</b></p> <p>Prior to Port issuance of building permits associated with Buildings 2, 12 and 21, Port of San Francisco Preservation staff shall review and approve future rehabilitation design proposals for Buildings 2, 12, and 21. Submitted rehabilitation design proposals for Buildings 2 and 12 shall include, in addition to proposed building design, detail on the proposed landscaping treatment within a 20-foot-wide perimeter of each building. The Port's review and analysis would be informed by Historic Resource Evaluation(s) provided by the project sponsors. The Historic Resource Evaluation(s) shall be prepared by a qualified consultant who meets or exceeds the Secretary of the Interior's Professional Qualification Standards in historic architecture or architectural history. The scope of the Historic Resource Evaluation(s) shall be reviewed and approved by Port Preservation staff prior to the start of work. Following review of the completed Historic Resource Evaluation(s), Port preservation staff would prepare one or more Historic Resource Evaluation Response(s) that would contain a determination as to the effects, if any, on historical resources of the proposed renovation. The Port shall not issue building permits associated with Buildings 2, 12, and 21 until Port preservation staff concludes that the design (1) conforms with the Secretary of the Interior's Standards for Rehabilitation; (2) is compatible with the UIW Historic District; and (3) preserves the building's historic materials and character-defining features, and repairs instead of replaces deteriorated features, where feasible. Should alternative materials be proposed for replacement of historic materials, they shall be in keeping with the size, scale, color, texture, and general appearance. The performance criteria shall ensure</p>	<p>Project sponsors and qualified preservation architect, historic preservation expert, or other qualified individual.</p>	<p>Prior to the issuance of building permits associated with Buildings 2, 12 and 21.</p>	<p>Qualified historian to prepare historic resource evaluation and documentation and present to Port staff to determine conformance to the Secretary's Standards.</p>	<p>Considered complete upon approval by the Port staff.</p>	<p>Port</p>

**MASTER LEASE EXHIBIT G**

File No. 2014-001272ENV  
 Pier 70 Mixed-Use District Project  
 Planning Commission Motion No. 19977

MITIGATION MONITORING AND REPORTING PROGRAM FOR PIER 70 MIXED-USE DISTRICT PROJECT					
MEASURES ADOPTED AS CONDITIONS OF APPROVAL	Implementation Responsibility	Mitigation Schedule	Monitoring/Reporting Responsibility	Monitoring Schedule	Monitoring Agency
<p>retention of the following character-defining features of each historic building:</p> <ul style="list-style-type: none"> <li>• <b>Building 2:</b> (1) board-formed concrete construction; (2) six-story height; (3) flat roof; (4) rectangular plan and north-south orientation; (5) regular pattern of window openings on east and west elevations; (6) steel, multi-pane, fixed sash windows (floors 1-5); (7) wood sash windows (floor 6); (8) elevator/stair tower that rises above roofline and projects slightly from west façade.</li> <li>• <b>Building 12:</b> (1) steel and wood construction; (2) corrugated steel cladding (except the as-built south elevation which was always open to Building 15); (3) 60-foot height; (4) Aiken roof configuration with five raised, glazed monitors; (5) clerestory multi-lite steel sash awning windows along the north and south sides of the monitors; (6) multi-lite, steel sash awning windows, arranged in three bands (with a double-height bottom band) on the north and west elevations, and in four bands on the east elevation; (7) 12-bay configuration of east and west elevations; (8) north-south roof ridge from which roof slopes gently (1/4 inch per foot) to the east and west</li> <li>• <b>Building 21:</b> (1) steel frame construction; (2) corrugated metal cladding; (3) double-gable roof clad in corrugated metal, with wide roof monitor at each gable; (4) multi-lite, double hung wood or horizontal steel sash windows; and (5) two pairs of steel freight loading doors on the north elevation, glazed with 12 lites per door.</li> </ul> <p>Port staff shall not approve any proposal for rehabilitation of Buildings 2, 12, and 21 unless they find that such a scheme conforms to the Secretary's Standards as specified for each building.</p>	Project sponsors	Prior to issuance of a building permit for new	San Francisco Preservation Planning staff, in consultation with	Considered complete when Planning and Port Preservation	Planning Department
<p><b>Mitigation Measure M-CR-11: Performance Criteria and Review Process for New Construction</b></p> <p>In addition to the standards and guidelines established as part of the Pier 70</p>					

**MASTER LEASE EXHIBIT G**

File No. 2014-001272ENV  
 Pier 70 Mixed-Use District Project  
 Planning Commission Motion No. 19977

MITIGATION MONITORING AND REPORTING PROGRAM FOR PIER 70 MIXED-USE DISTRICT PROJECT					
MEASURES ADOPTED AS CONDITIONS OF APPROVAL	Implementation Responsibility	Mitigation Schedule	Monitoring/ Reporting Responsibility	Monitoring Schedule	Monitoring Agency
<p>SUD and <i>Design for Development</i>, new construction and site development within the Pier 70 SUD shall be compatible with the character of the UIW Historic District and shall maintain and support the District's character-defining features through the following performance criteria (terminology used has definition as provided in the <i>Design for Development</i>):</p> <ol style="list-style-type: none"> <li>1. New construction shall comply with the Secretary of the Interior's Rehabilitation Standard No. 9: "New Addition, exterior alterations, or related new construction shall not destroy historic materials that characterize the property. The new work shall be differentiated from the old and shall be compatible with the massing, size, scale and architectural features to protect the integrity of the property and its environment."</li> <li>2. New construction shall comply with the Infill Development Design Criteria in the Port of San Francisco's <i>Pier 70 Preferred Master Plan</i> (2010) as found in Chapter 8, pp 57-69 (a policy document endorsed by the Port Commission to guide staff planning at Pier 70).</li> <li>3. New construction shall be purpose-built structures of varying heights and massing located within close proximity to one another.</li> <li>4. New construction shall not mimic historic features or architectural details of contributing buildings within the District. New construction may reference, but shall not replicate, historic architectural features or details.</li> <li>5. New construction shall be contextually appropriate in terms of massing, size, scale, and architectural features, not only with the remaining historic buildings, but with one another.</li> <li>6. New construction shall reinforce variety through the use of materials, architectural styles, rooflines, building heights, and window types and through a contemporary palette of materials as well as those found within the District.</li> </ol>		construction.	the San Francisco Port Preservation staff, shall use the Final Pier 70 SUD <i>Design for Development</i> Standards, including Secretary Standard No. 9, to evaluate all future development proposals within the project site for proposed new construction within the UIW Historic District. As part of this effort, project sponsors shall also submit a written memorandum for review and approval to San Francisco Preservation Planning and Port staff that confirms compliance of all proposed new construction with these guiding plans and policies. San Francisco	staff note compliance with the Pier 70 SUD <i>Design for Development</i> Standards, including Secretary Standard No. 9, outlined in the written memorandum.	

**MASTER LEASE EXHIBIT G**

File No. 2014-001272ENV  
 Pier 70 Mixed-Use District Project  
 Planning Commission Motion No. 19977

MITIGATION MONITORING AND REPORTING PROGRAM FOR PIER 70 MIXED-USE DISTRICT PROJECT					
MEASURES ADOPTED AS CONDITIONS OF APPROVAL	Implementation Responsibility	Mitigation Schedule	Monitoring/Reporting Responsibility	Monitoring Schedule	Monitoring Agency
<p>7. Parcel development shall be limited to the new construction zones identified in <i>Design for Development</i> Figure 6.3.1: Allowable New Construction Zones.</p> <p>8. The maximum height of new construction shall be consistent with the parcel heights identified in <i>Design for Development</i> Figure 6.4.2: Building Height Maximum.</p> <p>9. The use of street trees and landscape materials shall be limited and used judiciously within the Pier 70 SUD. Greater use of trees and landscape materials shall be allowed in designated areas consistent with <i>Design for Development</i> Figure 4.8.1: Street Trees and Plantings Plan.</p> <p>10. New construction shall be permitted adjacent to contributing buildings as identified in <i>Design for Development</i> Figure 6.3.2: New Construction Buffers.</p> <p>11. No substantive exterior additions shall be permitted to contributing Buildings 2, 12, or 21. Building 12 did not historically have a south-facing façade; therefore, rehabilitation will by necessity construct a new south elevation wall. Building 21 shall be relocated approximately 75 feet east of its present placement, to maintain the general historic context of the resource in spatial relationship to other resources. Building 21's orientation shall be maintained.</p> <p><u>Building Specific Standards</u>                      Each development parcel within the Pier 70 SUD has a different physical proximity and visual relationship to the contributing buildings within the UIW Historic District. For those façades immediately adjacent to or facing contributing buildings, building design shall be responsive to identified character-defining features in the manner described in the <i>Design for Development</i> Buildings chapter. All other façades shall have greater freedom in the expression of scale, color, use of material, and overall appearance, and shall be permitted if consistent with Secretary Standard No. 9 and the <i>Design</i></p>			<p>Preservation                      Planning staff must make determination in compliance with the timelines outlined in the Pier 70 Special Use District section of the Planning Code for review of vertical design.</p>		



**MASTER LEASE EXHIBIT G**

File No. 2014-001272ENV  
 Pier 70 Mixed-Use District Project  
 Planning Commission Motion No. 19977

MITIGATION MONITORING AND REPORTING PROGRAM FOR PIER 70 MIXED-USE DISTRICT PROJECT																											
MEASURES ADOPTED AS CONDITIONS OF APPROVAL	Implementation Responsibility	Mitigation Schedule	Monitoring/Reporting Responsibility	Monitoring Schedule	Monitoring Agency																						
<p><i>for Development.</i></p> <p>Table M.CR.1: Building-Specific Responsiveness, indicates resources that are located adjacent to, and have the greatest influence on the design of, the noted development parcel façade.</p> <p><b>Table M.CR.1: Building-Specific Responsiveness</b></p> <table border="1"> <thead> <tr> <th>Facade/Parcel Name-Number</th> <th>Contributing Building (Building No.)</th> </tr> </thead> <tbody> <tr> <td>North and West; A</td> <td>113</td> </tr> <tr> <td>North and Northeast; B</td> <td>113, 6</td> </tr> <tr> <td>North; C1</td> <td>116</td> </tr> <tr> <td>East and South; C2</td> <td>12</td> </tr> <tr> <td>South and West; D</td> <td>2, 12</td> </tr> <tr> <td>East and South; E1</td> <td>21</td> </tr> <tr> <td>West; E2</td> <td>12</td> </tr> <tr> <td>West; E4</td> <td>21</td> </tr> <tr> <td>North; F/G</td> <td>12</td> </tr> <tr> <td>East; PKN</td> <td>113-116</td> </tr> </tbody> </table> <p><i>Source: ESA 2015.</i></p> <p><b>Palette of Materials</b></p> <p>In addition to the standards and guidelines pertaining to application of</p>						Facade/Parcel Name-Number	Contributing Building (Building No.)	North and West; A	113	North and Northeast; B	113, 6	North; C1	116	East and South; C2	12	South and West; D	2, 12	East and South; E1	21	West; E2	12	West; E4	21	North; F/G	12	East; PKN	113-116
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MASTER LEASE EXHIBIT G

File No. 2014-001272ENV  
 Pier 70 Mixed-Use District Project  
 Planning Commission Motion No. 19977

MITIGATION MONITORING AND REPORTING PROGRAM FOR PIER 70 MIXED-USE DISTRICT PROJECT					
MEASURES ADOPTED AS CONDITIONS OF APPROVAL	Implementation Responsibility	Mitigation Schedule	Monitoring/ Reporting Responsibility	Monitoring Schedule	Monitoring Agency
<p>materials in the <i>Design for Development</i>, the following material performance standards would apply to the building design on the development parcels (terminology used has definition as provided in the <i>Design for Development</i>):</p> <ul style="list-style-type: none"> <li>• Masonry panels that replicate traditional nineteenth or twentieth century brick masonry patterns shall not be allowed on the east façade of Parcel PKN, north and west façades of Parcel A or on the north façade of Parcel C1.</li> <li>• Smooth, flat, minimally detailed glass curtain walls shall not be allowed on the façades listed above. Glass with expressed articulation and visual depth or that expresses underlying structure is an allowable material throughout the entirety of the Pier 70 SUD.</li> <li>• Coarse-sand finished stucco shall not be allowed as a primary material within the entirety of the UIW Historic District.</li> <li>• Bamboo wood siding shall not be allowed on façades listed above or as a primary façade material.</li> <li>• Laminated timber panels shall not be allowed on façades listed above.</li> <li>• When considering material selection immediately adjacent to contributing buildings (e.g., 20<sup>th</sup> Street Historic Core, Buildings 2, 12, and 21; and Buildings 103, 106, 107, and 108 located within or immediately adjacent to the BAE Systems site), characteristics of compatibility and differentiation shall both be taken into account. Material selection shall not duplicate adjacent building primary materials and treatments, nor shall they establish a false sense of historic development.</li> <li>• Avoid conflict of new materials that appear similar or attempt to replicate historic materials. For example, Building 12 has character-defining corrugated steel cladding. As such, the eastern</li> </ul>					

MASTER LEASE EXHIBIT G

File No. 2014-001272ENV  
 Pier 70 Mixed-Use District Project  
 Planning Commission Motion No. 19977

MITIGATION MONITORING AND REPORTING PROGRAM FOR PIER 70 MIXED-USE DISTRICT PROJECT					
MEASURES ADOPTED AS CONDITIONS OF APPROVAL	Implementation Responsibility	Mitigation Schedule	Monitoring/ Reporting Responsibility	Monitoring Schedule	Monitoring Agency
<p>façade of Parcel C2, the northern façade of Parcels F and G, and the southern façade of Parcel D1 shall not use corrugated steel cladding as a primary material. As another example, Building 113 has character-defining brick-masonry construction. As such, the northern and western façades of Parcel A, and the eastern façade of Parcel K North shall not use brick masonry as a primary material.</p> <ul style="list-style-type: none"> <li>Use of contemporary materials shall reflect the scale and proportions of historic materials used within the UIW Historic District.</li> <li>Modern materials shall be designed and detailed in a manner to reflect but not replicate the scale, pattern, and rhythm of adjacent contributing buildings' exterior materials.</li> </ul> <p><u>Review Process</u>                      Prior to Port issuance of building permits associated with new construction, San Francisco Preservation Planning staff, in consultation with the San Francisco Port Preservation staff, shall use the Final Pier 70 SUD <i>Design for Development</i> Standards, including Secretary Standard No. 9, to evaluate all future development proposals within the project site for proposed new construction within the UIW Historic District. As part of this effort, project sponsors shall also submit a written memorandum for review and approval to San Francisco Preservation Planning staff that confirms compliance of all proposed new construction with these guiding plans and policies.</p>					
<b><i>Transportation and Circulation Mitigation Measures</i></b>					
<p><b>Mitigation Measure M-TR-5: Monitor and increase capacity on the 48 Quintara/24<sup>th</sup> Street bus routes as needed.</b></p> <p>Prior to approval of the Proposed Project's phase applications, project sponsors shall demonstrate that the capacity of the 48 Quintara/24<sup>th</sup> Street bus route has not exceeded 85 percent capacity utilization, and that future demand associated with build-out and occupancy of the phase will not cause</p>	<p>Developer, TMA, and SFMTA.</p> <p>Documentation of capacity of the 48 Quintara/24<sup>th</sup> Street</p>	<p><u>Demonstration of capacity:</u>                      Prior to approval of the project's phase applications.</p>	<p>Project sponsors to demonstrate to the SFMTA that each building for which temporary certificates of occupancy are</p>	<p>Considered complete upon approval of the project's phase application.</p>	<p>Planning Department, SFMTA</p>

**MASTER LEASE EXHIBIT G**

File No. 2014-001272ENV  
 Pier 70 Mixed-Use District Project  
 Planning Commission Motion No. 19977

MITIGATION MONITORING AND REPORTING PROGRAM FOR PIER 70 MIXED-USE DISTRICT PROJECT				
MEASURES ADOPTED AS CONDITIONS OF APPROVAL	Implementation Responsibility	Mitigation Schedule	Monitoring/ Reporting Responsibility	Monitoring Agency
<p>the route to exceed its utilization. Forecasts of travel behavior of future phases could be based on trip generation rates forecast in the EIR, or based on subsequent surveys of occupants of the project, possibly including surveys conducted as part of ongoing TDM monitoring efforts required as part of Air Quality Mitigation Measure M-AQ-1f: Transportation Demand Management.</p> <p>If trip generation calculations or monitoring surveys demonstrate that a specific phase of the Proposed Project will cause capacity on the 48 Quintara/24<sup>th</sup> Street route to exceed 85 percent, the project sponsors shall provide capital costs for increased capacity on the route in a manner deemed acceptable by SFMTA through the following means:</p> <ul style="list-style-type: none"> <li>At SFMTA's request, the project sponsors shall pay the capital costs for additional buses (up to a maximum of four in the Maximum Residential Scenario and six in the Maximum Commercial Scenario). If the SFMTA requests the project sponsor to pay the capital costs of the buses, the SFMTA would need to find funding to pay for the added operating cost associated with operating increased service made possible by the increased vehicle fleet. The source of that funding has not been established.</li> </ul> <p>Alternatively, if SFMTA determines that other measures to increase capacity along the route would be more desirable than adding buses, the project sponsors shall pay an amount equivalent to the cost of the required number of buses toward completion of one or more of the following, as determined by SFMTA:</p> <ul style="list-style-type: none"> <li>Convert to using higher-capacity vehicles on the 48 Quintara/24<sup>th</sup> Street route. In this case, the project sponsors shall pay a portion of the capital costs to convert the route to articulated buses. Some bus stops along the route may not currently be configured to accommodate the longer articulated buses. Some bus zones could likely be extended by removing one or more parking spaces; in some locations, appropriate space may not be available. The</li> </ul>	<p>bus route shall be prepared by a consultant from the Planning Department's Transportation Consultant Pool, using a methodology approved by SFMTA and Planning. If documentation of capacity is based on monitoring surveys, the transportation consultant shall submit raw data from such surveys concurrently to SFMTA, the Planning Department, and project sponsors.</p>	<p>If project sponsors demonstrate to the SFMTA that the phase would not generate a number of transit trips on the 48 Quintara/24<sup>th</sup> Street bus route that would exceed the significance thresholds outlined in the EIR.</p> <p>If the project demonstrates (using trip generation rates forecasted in the EIR or through surveys of existing travel behavior at the site) that a specific building would cause capacity to exceed 85 percent based on the Baseline scenario in the EIR or would contribute more than 5 percent of capacity on the line if it was already projected to exceed 85 percent capacity utilization in the Baseline</p>	<p>requested would not generate a number of transit trips on the 48 Quintara/24<sup>th</sup> Street bus route that would exceed the significance thresholds outlined in the EIR.</p> <p>If the project demonstrates (using trip generation rates forecasted in the EIR or through surveys of existing travel behavior at the site) that a specific building would cause capacity to exceed 85 percent based on the Baseline scenario in the EIR or would contribute more than 5 percent of capacity on the line if it was already projected to exceed 85 percent capacity utilization in the Baseline</p>	
		<p>Capital Costs:                      Payment required after SFMTA affirms via letter to the project sponsors that mitigation funds will be</p>		

**MASTER LEASE EXHIBIT G**

File No. 2014-001272ENV  
 Pier 70 Mixed-Use District Project  
 Planning Commission Motion No. 19977

MITIGATION MONITORING AND REPORTING PROGRAM FOR PIER 70 MIXED-USE DISTRICT PROJECT					
MEASURES ADOPTED AS CONDITIONS OF APPROVAL	Implementation Responsibility	Mitigation Schedule	Monitoring/ Reporting Responsibility	Monitoring Schedule	Monitoring Agency
<p>project sponsors' contribution may not be adequate to facilitate the full conversion of the route to articulated buses; therefore, a source of funding would need to be established to complete the remainder, including improvements to bus stop capacity at all of the bus stops along the route that do not currently accommodate articulated buses.</p> <ul style="list-style-type: none"> <li>SFMTA may determine that instead of adding more buses to a congested route, it would be more desirable to increase travel speeds along the route. In this case, the project sponsors' contribution would be used to fund a study to identify appropriate and feasible improvements and/or implement a portion of the improvements that would increase travel speeds sufficiently to increase capacity along the bus route such that the project's impacts along the route would be determined to be less than significant. Increased speeds could be accomplished by funding a portion of the planned bus rapid transit system along 16<sup>th</sup> Street for the 22 Fillmore between Church and Third streets. Adding signals on Pennsylvania Street and 22<sup>nd</sup> Street may serve to provide increased travel speeds on this relatively short segment of the bus routes. The project sponsors' contribution may not be adequate to fully achieve the capacity increases needed to reduce the project's impacts and SFMTA may need to secure additional sources of funding.</li> </ul> <p>Another option to increase capacity along the corridor is to add new a Muni service route in this area. If this option is selected, project sponsors shall fund purchase of the same number of new vehicles outlined in the first option (four for the Maximum Residential Alternative and six for the Maximum Commercial Alternative) to be operated along the new route. By providing an additional service route, a percentage of the current transit riders on the 48 Quintara/24<sup>th</sup> Street would likely shift to the new route, lowering the capacity utilization below the 85 percent utilization threshold. As for the first option, funding would need to be secured to pay for operating the new route.</p>		<p>spent on implementation of M-TR-5 through purchase of additional buses or alternative measure in accordance with M-TR-5. Capital costs for more than four buses, up to a maximum of six buses, shall only be required if the total gsf of commercial use exceeds the Maximum Residential Scenario total gsf of commercial use, identified in Table 2.3 of the EIR, and if project sponsors demonstrate that the</p>	<p>scenario without the Proposed Project, and the SFMTA has committed to implement M-TR-5, the project sponsors shall provide capital costs for increased capacity on the route in a manner deemed acceptable by SFMTA.</p>		

**MASTER LEASE EXHIBIT G**

File No. 2014-001272ENV  
 Pier 70 Mixed-Use District Project  
 Planning Commission Motion No. 19977

MITIGATION MONITORING AND REPORTING PROGRAM FOR PIER 70 MIXED-USE DISTRICT PROJECT					
MEASURES ADOPTED AS CONDITIONS OF APPROVAL	Implementation Responsibility	Mitigation Schedule	Monitoring/ Reporting Responsibility	Monitoring Schedule	Monitoring Agency
<p><b>Mitigation Measure M-TR-10: Improve pedestrian facilities on Illinois Street adjacent to and leading to the project site.</b></p> <p>As part of construction of the Proposed Project roadway network, the project sponsors shall implement the following improvements:</p> <ul style="list-style-type: none"> <li>• Install ADA curb ramps on all corners at the intersection of 22<sup>nd</sup> Street and Illinois Street</li> <li>• Signalize the intersections of Illinois Street with 20<sup>th</sup> and 22<sup>nd</sup> Street.</li> <li>• Modify the sidewalk on the east side of Illinois Street between 22<sup>nd</sup> and 20<sup>th</sup> streets to a minimum of 10 feet. Relocate</li> </ul>	Project sponsors shall implement the improvements.	building would cause capacity to exceed 85 percent or would contribute more than 5 percent of capacity on the line if it was already projected to exceed 85 percent capacity utilization in the Baseline scenario without the Proposed Project.	SFMTA reviews signal and site plans and maps for improvements identified in Mitigation Measure M-TR-10.	Considered complete when street improvements have been built.	SFMTA, Port

MASTER LEASE EXHIBIT G

File No. 2014-001272ENV  
 Pier 70 Mixed-Use District Project  
 Planning Commission Motion No. 19977

MITIGATION MONITORING AND REPORTING PROGRAM FOR PIER 70 MIXED-USE DISTRICT PROJECT					
MEASURES ADOPTED AS CONDITIONS OF APPROVAL	Implementation Responsibility	Mitigation Schedule	Monitoring/ Reporting Responsibility	Monitoring Schedule	Monitoring Agency
<p>obstructions, such as fire hydrants and power poles, as feasible, to ensure an accessible path of travel is provided to and from the Proposed Project.</p> <p><b>Mitigation Measure M-TR-12A: Coordinate Deliveries</b>                      The Project's Transportation Coordinator shall coordinate with building tenants and delivery services to minimize deliveries during a.m. and p.m. peak periods.                      Although many deliveries cannot be limited to specific hours, the Transportation Coordinator shall work with tenants to find opportunities to consolidate deliveries and reduce the need for peak period deliveries, where possible.</p>	<p>Transportation Management Agency                      Transportation Coordinator.</p>	<p>On-going.</p>	<p>Transportation Management Agency                      Transportation Coordinator to coordinate with building tenants and delivery services to consolidate deliveries and reduce the need for peak period deliveries, where possible.</p>	<p>On-going during project operations.</p>	<p>Port</p>
<p><b>Mitigation Measure M-TR-12B: Monitor loading activity and convert general purpose on-street parking spaces to commercial loading spaces, as needed.</b>                      After completion of the first phase of the Proposed Project, and prior to approval of each subsequent phase, the project sponsors shall conduct a study of utilization of on- and off-street commercial loading spaces. Prior to completion, the methodology for the study shall be reviewed and approved by either: (a) Port Staff in consultation with SFMTA Staff for areas within Port jurisdiction; or (b) SFMTA Staff in consultation with Port Staff for areas within SFMTA jurisdiction. If the result of the study indicates that fewer than 15 percent of the commercial loading spaces are available during the peak loading period, the project sponsors shall incorporate measures to convert existing or proposed general purpose on-street parking spaces to commercial parking spaces in addition to the required off-street spaces.</p>	<p>Developer, TMA or Port.</p>	<p>Prior to approval of the project's phase applications after completion of the first phase.</p>	<p>Project sponsors or TMA to conduct a commercial loading study for the Port.</p>	<p>Considered complete after the Port Staff reviews and approves the study and the project sponsors, Port or TMA incorporates any additional measures necessary for commercial loading.</p>	<p>Port</p>

**MASTER LEASE EXHIBIT G**

File No. 2014-001272ENV  
 Pier 70 Mixed-Use District Project  
 Planning Commission Motion No. 19977

MITIGATION MONITORING AND REPORTING PROGRAM FOR PIER 70 MIXED-USE DISTRICT PROJECT					
MEASURES ADOPTED AS CONDITIONS OF APPROVAL	Implementation Responsibility	Mitigation Schedule	Monitoring/ Reporting Responsibility	Monitoring Schedule	Monitoring Agency
<p><b>Mitigation Measure M-C-TR-4A: Increase capacity on the 48 Quintara/24<sup>th</sup> bus route under the Maximum Residential Scenario.</b></p> <p>The project sponsors shall contribute funds for one additional vehicle (in addition to and separate from the four prescribed under Mitigation Measure M-TR-5 for the Maximum Residential Scenario) to reduce the Proposed Project's contribution to the significant cumulative impact to not cumulatively considerable. This shall be considered the Proposed Project's fair share toward mitigating this significant cumulative impact. If SFMTA adopts a strategy to increase capacity along this route that does not involve purchasing and operating additional vehicles, the Proposed Project's fair share contribution shall remain the same, and may be used for one of those other strategies deemed desirable by SFMTA.</p>	<p>Developer, TMA and SFMTA</p> <p>Documentation of capacity shall be prepared by a consultant from the Planning Department's Transportation Consultant Pool, using the methodology approved by SFMTA and Planning pursuant to Mitigation Measure M-TR-5.</p>	<p><u>Demonstration of Capacity</u>. If necessary, prior to approval of the project's phase applications.</p> <p><u>Capital Costs</u>: Payment confirmed prior to issuance of building permit for building that would result in exceedance of 85 percent capacity utilization.</p> <p>Capital costs for more than four buses, up to a maximum of six buses, shall be paid if the total gsf of commercial use exceeds the Maximum Residential Scenario total gsf of commercial</p>	<p>If the Maximum Residential Scenario is implemented, the project sponsors shall contribute funds for one additional vehicle or a fair share contribution to the SFMTA.</p>	<p>If necessary, considered complete when SFMTA receives funds from the project sponsors</p>	<p>SFMTA</p>



**MASTER LEASE EXHIBIT G**

File No. 2014-001272ENV  
 Pier 70 Mixed-Use District Project  
 Planning Commission Motion No. 19977

MITIGATION MONITORING AND REPORTING PROGRAM FOR PIER 70 MIXED-USE DISTRICT PROJECT					
MEASURES ADOPTED AS CONDITIONS OF APPROVAL	Implementation Responsibility	Mitigation Schedule	Monitoring/ Reporting Responsibility	Monitoring Schedule	Monitoring Agency
<p><b>Mitigation Measure M-C-TR-4B: Increase capacity on the 22 Fillmore bus route under the Maximum Commercial Scenario.</b></p> <p>The project sponsors shall contribute funds for two additional vehicles to reduce the Proposed Project's contribution to the significant cumulative impact to not considerable. This shall be considered the Proposed Project's fair share toward mitigating this cumulative impact. If SFMTA adopts an alternate strategy to increase capacity along this route that does not involve purchasing and operating additional vehicles, the Proposed Project's fair share contribution shall remain the same, and may be used for one of those other strategies deemed desirable by SFMTA.</p>	<p>Developer, TMA, and SFMTA.</p> <p>Documentation of capacity shall be prepared by a consultant from the Planning Department's Transportation Consultant Pool, using the methodology approved by SFMTA and Planning pursuant to Mitigation Measure M-TR-5.</p>	<p>use, identified in Table 2.3 of the EIR.</p> <p>If necessary, prior to approval of the project's final phase application.</p> <p><u>Funds shall be contributed if the total gsf of commercial use for the Project in the final phase application exceeds the Maximum Residential Scenario total gsf of commercial use, identified in Table 2.3 of the EIR.</u></p>	<p>If the Maximum Commercial Scenario is implemented, the project sponsors shall contribute funds for one additional vehicle or a fair share contribution to the SFMTA.</p>	<p>If necessary, considered complete when SFMTA receives funds from the project sponsors.</p>	<p>SFMTA</p>
<p><b>Noise and Vibration Mitigation Measures</b></p> <p><b>Mitigation Measure M-NO-1: Construction Noise Control Plan.</b></p> <p>Over the project's approximately 11-year construction duration, project</p>					
	Project sponsors.	Prior to the start of construction activities;	Project sponsors to submit the Construction Noise	Considered complete upon submittal of the	Port or DBI

**MASTER LEASE EXHIBIT G**

File No. 2014-001272ENV  
 Pier 70 Mixed-Use District Project  
 Planning Commission Motion No. 19977

<b>MITIGATION MONITORING AND REPORTING PROGRAM FOR PIER 70 MIXED-USE DISTRICT PROJECT</b>					
<b>MEASURES ADOPTED AS CONDITIONS OF APPROVAL</b>	<b>Implementation Responsibility</b>	<b>Mitigation Schedule</b>	<b>Monitoring/ Reporting Responsibility</b>	<b>Monitoring Schedule</b>	<b>Monitoring Agency</b>
<p>contractors for all construction projects on the Illinois Parcels and 28-Acre Site will be subject to construction-related time-of-day and noise limits specified in Section 2907(a) of the Police Code, as outlined above. Therefore, prior to construction, a Construction Noise Control Plan shall be prepared by the project sponsors and submitted to the Port. The construction noise control plan shall demonstrate compliance with the Noise Ordinance limits. Noise reduction strategies that could be incorporated into this plan to ensure compliance with ordinance limits may include, but are not limited to, the following:</p> <ul style="list-style-type: none"> <li>• Require the general contractor to ensure that equipment and trucks used for project construction utilize the best available noise control techniques (e.g., improved mufflers, equipment redesign, use of intake silencers, ducts, engine enclosures, and acoustically-attenuating shields or shrouds).</li> <li>• Require the general contractor to locate stationary noise sources (such as the rock/concrete crusher or compressors) as far from adjacent or nearby sensitive receptors as possible, to muffle such noise sources, and to construct barriers around such sources and/or the construction site, which could reduce construction noise by as much as 5 dBA. To further reduce noise, the contractor shall locate stationary equipment in pit areas or excavated areas, to the maximum extent practicable.</li> <li>• Require the general contractor to use impact tools (e.g., jack hammers, pavement breakers, and rock drills) that are hydraulically or electrically powered wherever possible to avoid noise associated with compressed air exhaust from pneumatically powered tools. Where use of pneumatic tools is unavoidable, an exhaust muffler on the compressed air exhaust shall be used, along with external noise jackets on the tools, which would reduce noise levels by as much as 10 dBA.</li> </ul>		<p>implementation ongoing during construction.</p>	<p>Control Plan to the Port. A single Noise Control Plan or multiple Noise Control Plans may be produced to address project phasing.</p>	<p>Construction Noise Control Plan to the Port.</p>	

**MASTER LEASE EXHIBIT G**

File No. 2014-001272ENV  
 Pier 70 Mixed-Use District Project  
 Planning Commission Motion No. 19977

MITIGATION MONITORING AND REPORTING PROGRAM FOR PIER 70 MIXED-USE DISTRICT PROJECT					
MEASURES ADOPTED AS CONDITIONS OF APPROVAL	Implementation Responsibility	Mitigation Schedule	Monitoring/Reporting Responsibility	Monitoring Schedule	Monitoring Agency
<ul style="list-style-type: none"> <li>Include noise control requirements for construction equipment and tools, including concrete saws, in specifications provided to construction contractors to the maximum extent practicable. Such requirements could include, but are not limited to, erecting temporary plywood noise barriers around a construction site, particularly where a site adjoins noise-sensitive uses; utilizing noise control blankets on a building structure as the building is erected to reduce noise levels emanating from the construction site; the use of blasting mats during controlled blasting periods to reduce noise and dust; performing all work in a manner that minimizes noise; using equipment with effective mufflers; undertaking the most noisy activities during times of least disturbance to surrounding residents and occupants; and selecting haul routes that avoid residential uses.</li> <li>Prior to the issuance of each building permit, along with the submission of construction documents, submit to the Port, as appropriate, a plan to track and respond to complaints pertaining to construction noise. The plan shall include the following measures: (1) a procedure and phone numbers for notifying the Port, the Department of Public Health, and the Police Department (during regular construction hours and off-hours); (2) a sign posted on-site describing permitted construction days and hours, noise complaint procedures, and a complaint hotline number that shall be answered at all times during construction; (3) designation of an on-site construction complaint and enforcement manager for the project; and (4) notification of neighboring residents and non-residential building managers within 300 feet of the project construction area and the American Industrial Center (AIC) at least 30 days in advance of extreme noise-generating activities (such as pile driving) about the estimated duration of the activity.</li> </ul>	Project sponsors	Prior to issuance of each building permit for duration of the project.	Project sponsors to submit a plan to track and respond to complaints pertaining to construction noise. A single plan or multiple plans may be produced to address project phasing.	Considered complete upon review and approval of the plan by the Port.	
<b>Mitigation Measure M-NO-2: Noise Control Measures During Pile</b>	Project sponsors and construction	Prior to receiving a	Project sponsors to submit to the Port	Considered complete upon	Port or DBI

**MASTER LEASE EXHIBIT G**

File No. 2014-001272ENV  
 Pier 70 Mixed-Use District Project  
 Planning Commission Motion No. 19977

MITIGATION MONITORING AND REPORTING PROGRAM FOR PIER 70 MIXED-USE DISTRICT PROJECT					
MEASURES ADOPTED AS CONDITIONS OF APPROVAL	Implementation Responsibility	Mitigation Schedule	Monitoring/Reporting Responsibility	Monitoring Schedule	Monitoring Agency
<p><b>Driving.</b>                      The Construction Noise Control Plan (required under Mitigation Measure M-NO-1) shall also outline a set of site-specific noise and vibration attenuation measures for each construction phase when pile driving is proposed to occur. These attenuation measures shall be included wherever impact equipment is proposed to be used on the Illinois Parcels and/or 28-Acre Site. As many of the following control strategies shall be included in the Noise Control Plan, as feasible:</p> <ul style="list-style-type: none"> <li>• Implement "quiet" pile-driving technology such as pre-drilling piles where feasible to reduce construction-related noise and vibration.</li> <li>• Use pile-driving equipment with state-of-the-art noise shielding and muffling devices.</li> <li>• Use pre-drilled or sonic or vibratory drivers, rather than impact drivers, wherever feasible (including slipways) and where vibration-induced liquefaction would not occur.</li> <li>• Schedule pile-driving activity for times of the day that minimize disturbance to residents as well as commercial uses located on-site and nearby.</li> <li>• Erect temporary plywood or similar solid noise barriers along the boundaries of each Proposed Project parcel as necessary to shield affected sensitive receptors.</li> <li>• Other equivalent technologies that emerge over time.</li> <li>• If CRF (including rock drills) were to occur at the same time as pile driving activities in the same area and in proximity to noise-sensitive receptors, pile drivers shall be set back at least 100 feet while rock drills shall be set back at least 50 feet (or vice versa)</li> </ul>	contractor(s).	building permit, incorporate feasible practices identified in M-NO-1 into the construction contract agreement documents. Control practices should be implemented throughout the pile driving duration.	documentation of compliance of implemented control practices that show construction contractor agreement with specified practices. A single Noise Control Plan or multiple Noise Control Plans may be produced to address project phasing.	submission of documentation incorporating identified practices.	

**MASTER LEASE EXHIBIT G**

File No. 2014-001272ENV  
 Pier 70 Mixed-Use District Project  
 Planning Commission Motion No. 19977

<b>MITIGATION MONITORING AND REPORTING PROGRAM FOR PIER 70 MIXED-USE DISTRICT PROJECT</b>					
<b>MEASURES ADOPTED AS CONDITIONS OF APPROVAL</b>	<b>Implementation Responsibility</b>	<b>Mitigation Schedule</b>	<b>Monitoring/Reporting Responsibility</b>	<b>Monitoring Schedule</b>	<b>Monitoring Agency</b>
<p>from any given sensitive receptor.</p> <p><b>Mitigation Measure M-NO-3: Vibration Control Measures During Construction.</b></p> <p>As part of the Construction Noise Control Plan required under Mitigation Measure M-NO-1, appropriate vibration controls (including pre-drilling pile holes and using smaller vibratory equipment) shall be specified to ensure that the vibration limit of 0.5 in/sec PPV can be met at adjacent or nearby existing structures and Proposed Project buildings located on the Illinois Parcels and/or 28-Acre Site, except as noted below:</p> <ul style="list-style-type: none"> <li>• Where pile driving, CRF, and other construction activities involving the use of heavy equipment would occur in proximity to any contributing building to the Union Iron Works Historic District, the project sponsors shall undertake a monitoring program to minimize damage to such adjacent historic buildings and to ensure that any such damage is documented and repaired. The monitoring program, which shall apply within 160 feet where pile driving would be used, 50 feet of where CRF would be required, and within 25 feet of other heavy equipment operation, shall include the following components:                         <ul style="list-style-type: none"> <li>o Prior to the start of any ground-disturbing activity, the project sponsors shall engage a historic architect or qualified historic preservation professional to undertake a pre-construction survey of historical resource(s) identified by the Port within 160 feet of planned construction to document and photograph the buildings' existing conditions.</li> <li>o Based on the construction and condition of the resource(s), a structural engineer or other qualified entity shall establish a maximum vibration level that shall not be exceeded at each building, based on existing conditions, character-defining features, soils conditions and anticipated construction practices in use at the time (a common standard is 0.2 inch per</li> </ul> </li> </ul>	<p>Project sponsors and contractor(s).</p>	<p>Prior to receiving a building permit, incorporate feasible practices identified in M-NO-1 into the construction contract agreement with documents. Control practices should be implemented throughout the pile driving duration.</p>	<p>Project sponsors to submit to Port documentation of compliance of implemented control practices that show construction contractor agreement with specified practices. A single Noise Control Plan or multiple Noise Control Plans may be produced to address project phasing.</p>	<p>Considered complete upon submittal of documentation incorporating identified practices.</p>	<p>Port or Planning Department</p>

**MASTER LEASE EXHIBIT G**

File No. 2014-001272ENV  
 Pier 70 Mixed-Use District Project  
 Planning Commission Motion No. 19977

MITIGATION MONITORING AND REPORTING PROGRAM FOR PIER 70 MIXED-USE DISTRICT PROJECT					
MEASURES ADOPTED AS CONDITIONS OF APPROVAL	Implementation Responsibility	Mitigation Schedule	Monitoring/Reporting Responsibility	Monitoring Schedule	Monitoring Agency
<p>second, peak particle velocity).</p> <ul style="list-style-type: none"> <li>To ensure that vibration levels do not exceed the established standard, a qualified acoustical/vibration consultant shall monitor vibration levels at each structure within 160 feet of planned construction and shall prohibit vibratory construction activities that generate vibration levels in excess of the standard. Should vibration levels be observed in excess of the standard, construction shall be halted and alternative construction techniques put in practice. (For example, pre-drilled piles could be substituted for driven piles, if soil conditions allow; smaller, lighter equipment could possibly also be used in some cases.) The consultant shall conduct regular periodic inspections of each building within 160 feet of planned construction during ground-disturbing activity on the project site. Should damage to a building occur as a result of ground-disturbing activity on the site, the building(s) shall be remediated to its pre-construction condition at the conclusion of ground-disturbing activity on the site.</li> <li>In areas with a "very high" or "high" susceptibility for vibration-induced liquefaction or differential settlement risks, the project's geotechnical engineer shall specify an appropriate vibration limit based on proposed construction activities and proximity to liquefaction susceptibility zones and modify construction practices to ensure that construction-related vibration does not cause liquefaction hazards at these homes.</li> </ul> <p><b>Mitigation Measure M-NO-4a: Stationary Equipment Noise Controls.</b>                      Noise attenuation measures shall be incorporated into all stationary equipment (including HVAC equipment and emergency generators) installed on buildings constructed on the Illinois Parcels and 28-Acre Site as well as into the below-grade or enclosed wastewater pump station as necessary to meet noise limits specified in Section 2909 of the Police Code.* Interior</p>	Project sponsors and construction contractor(s).	Prior to the issuance of a building permit for each building located on the Illinois Parcels	Port to review construction plans.	Considered complete after submittal and approval of plans by the Port	Port or Planning Department/DBI

MASTER LEASE EXHIBIT G

File No. 2014-001272ENV  
 Pier 70 Mixed-Use District Project  
 Planning Commission Motion No. 19977

MITIGATION MONITORING AND REPORTING PROGRAM FOR PIER 70 MIXED-USE DISTRICT PROJECT					
MEASURES ADOPTED AS CONDITIONS OF APPROVAL	Implementation Responsibility	Mitigation Schedule	Monitoring/Reporting Responsibility	Monitoring Schedule	Monitoring Agency
<p>noise limits shall be met under both existing and future noise conditions, accounting for foreseeable changes in noise conditions in the future (i.e., changes in on-site building configurations). Noise attenuation measures could include provision of sound enclosures/barriers, addition of roof parapets to block noise, increasing setback distances from sensitive receptors, provision of louvered vent openings, location of vent openings away from adjacent commercial uses, and restriction of generator testing to the daytime hours.</p> <p>* Under Section 2909 of the Police Code, stationary sources are not permitted to result in noise levels that exceed the existing ambient (L90) noise level by more than 5 dBA on residential property, 8 dBA on commercial and industrial property, and 10 dBA on public property. Section 2909(d) states that no fixed noise source may cause the noise level measured inside any sleeping or living room in a dwelling unit on residential property to exceed 45 dBA between 10:00 p.m. and 7:00 a.m. or 55 dBA between 7:00 a.m. and 10:00 p.m. with windows open, except where building ventilation is achieved through mechanical systems that allow windows to remain closed.</p> <p><b>Mitigation Measure M-NO-4b: Design of Future Noise-Generating Uses near Residential Uses.</b></p> <p>Future commercial/office and RALI uses shall be designed to minimize the potential for sleep disturbance at any future adjacent residential uses. Design approaches such as the following could be incorporated into future development plans to minimize the potential for noise conflicts of future uses on the project site:</p> <ul style="list-style-type: none"> <li>• <u>Design of Future Noise-Generating Commercial/Office and RALI Uses.</u> To reduce potential conflicts between sensitive receptors and new noise-generating commercial or RALI uses located adjacent to these receptors, exterior facilities such as loading areas/docks, trash enclosures, and surface parking lots shall be located on the sides of buildings facing away from existing or planned sensitive receptors (residences or passive open space). If</li> </ul>	Project sponsors and contractor(s).	or the 28-Acre Site, along with the submission of construction documents, the project sponsors shall submit to the Port and the DBI plans for noise attenuation measures on all stationary equipment.	Port to review construction plans.	Considered complete after submittal and approval of plans by the Port.	Port or Planning Department/DBI

**MASTER LEASE EXHIBIT G**

File No. 2014-001272ENV  
 Pier 70 Mixed-Use District Project  
 Planning Commission Motion No. 19977

MITIGATION MONITORING AND REPORTING PROGRAM FOR PIER 70 MIXED-USE DISTRICT PROJECT					
MEASURES ADOPTED AS CONDITIONS OF APPROVAL	Implementation Responsibility	Mitigation Schedule	Monitoring/Reporting Responsibility	Monitoring Schedule	Monitoring Agency
<p>this is not feasible, these types of facilities shall be enclosed or equipped with appropriate noise shielding.</p> <ul style="list-style-type: none"> <li>Design of <u>Future Above-Ground Parking Structure</u>. If parking structures are constructed on Parcels C1 or C2, the sides of the parking structures facing adjacent or nearby existing or planned residential uses shall be designed to shield residential receptors from noise associated with parking cars.</li> </ul>		noise conflicts with sensitive receivers,			
<p><b>Mitigation Measure M-NO-6: Design of Future Noise-Sensitive Uses</b></p> <p>Prior to issuance of a building permit for vertical construction of specific residential building design on each parcel, a noise study shall be conducted by a qualified acoustician, who shall determine the need to incorporate noise attenuation measures into the building design in order to meet Title 24's interior noise limit for residential uses as well as the City's (Article 29, Section 2909(d)) 45-dBA (Ldn) interior noise limit for residential uses. This evaluation shall account for noise shielding by buildings existing at the time of the proposal, potential increases in ambient noise levels resulting from the removal of buildings that are planned to be demolished, all planned commercial or open space uses in adjacent areas, any known variations in project build-out that have or will occur (building heights, location, and phasing), any changes in activities adjacent to or near the Illinois Parcels or 28-Acre Site (given the Proposed Project's long build-out period), any new shielding benefits provided by surrounding buildings that exist at the time of development, future cumulative traffic noise increases on adjacent roadways, existing and planned stationary sources (i.e., emergency generators, HVAC, etc.), and future noise increases from all known cumulative projects located with direct line-of-sight to the project building.</p> <p>To minimize the potential for sleep disturbance effects from tonal noise or nighttime noise events associated with nearby industrial uses, predicted noise levels at each project building shall account for 24/7 operation of the BAE Systems Ship Repair facility, 24/7 transformer noise at Potrero Substation (if it remains an open air facility), and industrial activities at the AIC, to the</p>	Project sponsors and qualified acoustician.	Prior to the issuance of the building permit for vertical construction of any residential building on each parcel, a noise study shall be prepared by a qualified acoustician.	Port Staff to review the noise study. A single noise study or multiple noise studies may be produced to address project phasing.	Considered complete after submittal and approval of the noise study by the Port.	Port or Planning Department/DBI



**MASTER LEASE EXHIBIT G**

File No. 2014-001272ENV  
 Pier 70 Mixed-Use District Project  
 Planning Commission Motion No. 19977

MITIGATION MONITORING AND REPORTING PROGRAM FOR PIER 70 MIXED-USE DISTRICT PROJECT					
MEASURES ADOPTED AS CONDITIONS OF APPROVAL	Implementation Responsibility	Mitigation Schedule	Monitoring/Reporting Responsibility	Monitoring Schedule	Monitoring Agency
<p>extent such use(s) are in operation at the time the analysis is conducted.</p> <p>Noise reduction strategies such as the following could be incorporated into the project design as necessary to meet Title 24 interior limit and minimize the potential for sleep disturbance from adjacent industrial uses:</p> <ul style="list-style-type: none"> <li>• Orient bedrooms away from major noise sources (i.e., major streets, open space/recreation areas where special events would occur, and existing adjacent industrial uses, including but not limited to the AIC, PG&amp;E Hoedown Yard (if it is still operating at that time), Potrero Substation, and the BAE site) and/or provide additional enhanced noise insulation features (higher STC ratings) or mechanical ventilation to minimize the effects of maximum instantaneous noise levels generated by these uses even though there is no code requirement to reduce Lmax noise levels. Such measures shall be implemented on Parcels D and E1 (both scenarios), Building 2 (Maximum Residential Scenario only), Parcels PKN (both scenarios), PKS (both scenarios), and HDY (Maximum Residential Scenario only);</li> <li>• Utilize enhanced exterior wall and roof-ceiling assemblies (with higher STC ratings), including increased insulation;</li> <li>• Utilize windows with higher STC / Outdoor/Indoor Transmission Class (OITC) ratings;</li> <li>• Employ architectural sound barriers as part of courtyards or building open space to maximize building shielding effects, and locate living spaces/bedrooms toward courtyards wherever possible; and</li> </ul> <p>Locate interior hallways (accessing residential units) adjacent to noisy streets or existing/planned industrial or commercial development.</p>	Developer, Port, parks management	Prior to operation of a	Developer, Port, parks management	Considered complete upon	Port
<b>Mitigation Measure M-NO-7: Noise Control Plan for Special Event</b>	Developer, Port, parks management	Prior to operation of a	Developer, Port, parks management	Considered complete upon	Port

**MASTER LEASE EXHIBIT G**

File No. 2014-001272ENV  
 Pier 70 Mixed-Use District Project  
 Planning Commission Motion No. 19977

MITIGATION MONITORING AND REPORTING PROGRAM FOR PIER 70 MIXED-USE DISTRICT PROJECT					
MEASURES ADOPTED AS CONDITIONS OF APPROVAL	Implementation Responsibility	Mitigation Schedule	Monitoring/Reporting Responsibility	Monitoring Schedule	Monitoring Agency
<p><b>Outdoor Amplified Sound.</b></p> <p>The project sponsors shall develop and implement a Noise Control Plan for operations at the proposed entertainment venues to reduce the potential for noise impacts from public address and/or amplified music. This Noise Control Plan shall contain the following elements:</p> <ul style="list-style-type: none"> <li>The project sponsors shall comply with noise controls and restrictions in applicable entertainment permit requirements for outdoor concerts.</li> <li>Speaker systems shall be directed away from the nearest sensitive receptors to the degree feasible.</li> <li>Outdoor speaker systems shall be operated consistent with the restrictions of Section 2909 of the San Francisco Police Code, and conform to a performance standard of 8 dBA and dBC over existing ambient L90 noise levels at the nearest residential use.</li> </ul>	entity, and/or parks programming entity.	special outdoor amplified sound, the project sponsors, parks management entity, and/or parks programming entity to develop a Noise Control Plan prior to issuance of event permit.	entity, and/or parks programming entity shall submit the Noise Control Plan to the Port.	submission and approval of the NCP by the Port.	Port or Planning Department
<p><b>Air Quality Mitigation Measures</b></p> <p><b>Mitigation Measure M-AQ-1a: Construction Emissions Minimization</b></p> <p>The following mitigation measure is required during construction of Phases 3, 4, and 5, or after build-out of 1.3 million gross square feet of development, whichever comes first:</p> <p>A. <i>Construction Emissions Minimization Plan.</i> Prior to issuance of a site permit, the project sponsors shall submit a Construction Emissions Minimization Plan (Plan) to the Port or Planning Department. The Plan shall detail project compliance with the following requirements:</p> <ol style="list-style-type: none"> <li>Where access to alternative sources of power is available, portable diesel generators used during construction shall be prohibited. Where portable diesel engines are required because alternative sources of power are not available, the</li> </ol>	Project sponsors and construction contractor(s).	Prior to issuance of a site permit, the project sponsors must submit Construction Emissions Minimization Plan	Project sponsors or contractor to submit a Construction Emissions Minimization Plan. Quarterly reports shall be submitted to Port Staff or Planning Department indicating the construction phase and off-road equipment	Considered complete upon Port or Planning Staff review and approval of Construction Emissions Minimization Plan or alternative measures that achieve the same emissions reduction.	Port or Planning Department

**MASTER LEASE EXHIBIT G**

File No. 2014-001272ENV  
 Pier 70 Mixed-Use District Project  
 Planning Commission Motion No. 19977

MITIGATION MONITORING AND REPORTING PROGRAM FOR PIER 70 MIXED-USE DISTRICT PROJECT														
MEASURES ADOPTED AS CONDITIONS OF APPROVAL	Implementation Responsibility	Mitigation Schedule	Monitoring/ Reporting Responsibility	Monitoring Schedule	Monitoring Agency									
<p>diesel engine shall meet the EPA or CARB Tier 4 off-road emission standards and be fueled with renewable diesel (at least 99 percent renewable diesel or R99), if commercially available, as defined below.</p> <p>2. All off-road equipment greater than 25 horsepower that operates for more than 20 total hours over the entire duration of construction activities shall have engines that meet the EPA or CARB Tier 4 off-road emission standards and be fueled with renewable diesel (at least 99 percent renewable diesel or R99), if commercially available. If engines that comply with Tier 4 off-road emission standards are not commercially available, then the project sponsors shall provide the next cleanest piece of off-road equipment as provided by the step-down schedules in Table M-AQ-1-1.</p>		<p>during Phase 3, 4, and 5, or prior to construction following build-out of 1.3 million gross square feet of development, the project sponsors must certify (1) compliance with the Plan, and (2) all applicable requirements of the Plan have been incorporated into contract specifications.</p> <p>The Plan shall be kept on site and available for review. A sign shall be posted at the perimeter of the construction site indicating the basic</p>	<p>information used during each phase. For off-road equipment using alternative fuels, reporting shall include the actual amount of alternative fuel used. Within six months of the completion of construction activities, the project sponsors shall submit to Port Staff a final report summarizing construction activities. The final report shall indicate the start and end dates and duration of each construction phase. In addition, for off-road equipment using alternative fuels, reporting shall include the actual amount of alternative fuel used.</p>											
<p><b>Table M-AQ-1-1: Off-Road Equipment Compliance Step-Down Schedule</b></p> <table border="1"> <thead> <tr> <th>Compliance Alternative</th> <th>Engine Emission Standard</th> <th>Emissions Control</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Tier 3</td> <td>CARB PM VDECS (85%)<sup>1</sup></td> </tr> <tr> <td>2</td> <td>Tier 2</td> <td>CARB PM VDECS (85%)</td> </tr> </tbody> </table> <p><b>How to use the table:</b> If the requirements of (A)(2) cannot be met, then the project sponsors would need to meet Compliance Alternative 1. Should the project sponsors not be able to supply off-road equipment meeting Compliance Alternative 1, then Compliance Alternative 2 would need to be met.</p> <p><sup>1</sup> CARB, Currently Verified Diesel Emission Control Strategies (VDECS).</p>						Compliance Alternative	Engine Emission Standard	Emissions Control	1	Tier 3	CARB PM VDECS (85%) <sup>1</sup>	2	Tier 2	CARB PM VDECS (85%)
Compliance Alternative	Engine Emission Standard	Emissions Control												
1	Tier 3	CARB PM VDECS (85%) <sup>1</sup>												
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**MASTER LEASE EXHIBIT G**

File No. 2014-001272ENV  
 Pier 70 Mixed-Use District Project  
 Planning Commission Motion No. 19977

MITIGATION MONITORING AND REPORTING PROGRAM FOR PIER 70 MIXED-USE DISTRICT PROJECT					
MEASURES ADOPTED AS CONDITIONS OF APPROVAL	Implementation Responsibility	Mitigation Schedule	Monitoring/Reporting Responsibility	Monitoring Schedule	Monitoring Agency
<p>Available online at <a href="http://www.arb.ca.gov/diesel/verdev/vt/cvt.htm">http://www.arb.ca.gov/diesel/verdev/vt/cvt.htm</a>. Accessed January 14, 2016.</p> <ol style="list-style-type: none"> <li>i. With respect to Tier 4 equipment, "commercially available" shall mean the availability taking into consideration factors such as: (i) critical path timing of construction; and (ii) geographic proximity of equipment to the project site.</li> <li>ii. With respect to renewable diesel, "commercially available" shall mean the availability taking into consideration factors such as: (i) critical path timing of construction; (ii) geographic proximity of fuel source to the project site; and (iii) cost of renewable diesel is within 10 percent of Ultra Low Sulfur Diesel #2 market price.</li> <li>iii. The project sponsors shall maintain records concerning its efforts to comply with this requirement. Should the project sponsor determine either that an off-road vehicle that meets Tier 4 emissions standards or that renewable diesel are not commercially available, the project sponsor shall submit documentation to the satisfaction of Port or Planning Staff and, for the former condition, shall identify the next cleanest piece of equipment that would be used, in compliance with Table M-AQ-1-1.</li> <li>3. The project sponsors shall ensure that future developers or their contractors require the idling time for off-road and on-road equipment be limited to no more than 2 minutes, except as provided in exceptions to the applicable State regulations regarding idling for off-road and on-road equipment. Legible and visible signs shall be posted in</li> </ol>		<p>requirements of the Plan and where copies of the Plan are available to the public for review.</p>			

**MASTER LEASE EXHIBIT G**

File No. 2014-001272ENV  
 Pier 70 Mixed-Use District Project  
 Planning Commission Motion No. 19977

<b>MITIGATION MONITORING AND REPORTING PROGRAM FOR PIER 70 MIXED-USE DISTRICT PROJECT</b>					
<b>MEASURES ADOPTED AS CONDITIONS OF APPROVAL</b>	<b>Implementation Responsibility</b>	<b>Mitigation Schedule</b>	<b>Monitoring/ Reporting Responsibility</b>	<b>Monitoring Schedule</b>	<b>Monitoring Agency</b>
<p>multiple languages (English, Spanish, and Chinese) in designated queuing areas and at the construction site to remind operators of the 2-minute idling limit.</p> <p>4. The project sponsors shall require that each construction contractor mandate that construction operators properly maintain and tune equipment in accordance with manufacturer specifications.</p> <p>5. The Plan shall include best available estimates of the construction timeline by phase with a description of each piece of off-road equipment required for every construction phase and shall be updated pursuant to the reporting requirements in Section B below. Reporting requirements for off-road equipment descriptions and information shall include as much detail as is available, but are not limited to: equipment type, equipment manufacturer, equipment identification number, engine model year, engine certification (Tier rating), horsepower, engine serial number, and expected fuel usage and hours of operation. For Verified Diesel Emission Control Strategies (VDECS) installed, descriptions and information shall include technology type, serial number, make, model, manufacturer, CARB verification number level, and installation date and hour meter reading on installation date. The Plan shall also indicate whether renewable diesel will be used to power the equipment. The Plan shall also include anticipated fuel usage and hours of operation so that emissions can be estimated.</p> <p>6. The project sponsors and their construction contractors shall keep the Plan available for public review on site during working hours. Each construction contractor shall post at the perimeter of the project site a legible and visible sign summarizing the requirements of the Plan. The sign shall also state that the public may ask to inspect the Plan at any time</p>					

**MASTER LEASE EXHIBIT G**

File No. 2014-001272ENV  
 Pier 70 Mixed-Use District Project  
 Planning Commission Motion No. 19977

<b>MITIGATION MONITORING AND REPORTING PROGRAM FOR PIER 70 MIXED-USE DISTRICT PROJECT</b>					
<b>MEASURES ADOPTED AS CONDITIONS OF APPROVAL</b>	<b>Implementation Responsibility</b>	<b>Mitigation Schedule</b>	<b>Monitoring/ Reporting Responsibility</b>	<b>Monitoring Schedule</b>	<b>Monitoring Agency</b>
<p>during working hours, and shall explain how to request inspection of the Plan. Signs shall be posted on all sides of the construction site that face a public right-of-way. The project sponsors shall provide copies of the Plan to members of the public as requested.</p> <p>B. <i>Reporting.</i> Quarterly reports shall be submitted to Port or Planning Staff indicating the construction activities undertaken and information about the off-road equipment used, including the information required in Section A(5). In addition, reporting shall include the approximate amount of renewable diesel fuel used.</p> <p>Within 6 months of the completion of all project construction activities, the project sponsors shall submit to Port or Planning Staff a final report summarizing construction activities. The final report shall indicate the start and end dates and duration of each construction phase. The final report shall include detailed information required in Section A(5). In addition, reporting shall include the actual amount of renewable diesel fuel used.</p> <p>C. <i>Certification Statement and On-site Requirements.</i> Prior to the commencement of construction activities, the project sponsors shall certify through submission of city-standardized forms (1) compliance with the Plan, and (2) all applicable requirements of the Plan have been incorporated into contract specifications.</p> <p><b>Mitigation Measure M-AQ-1b: Diesel Backup Generator Specifications</b>                      To reduce NOx associated with operation of the Maximum Commercial or Maximum Residential Scenarios, the project sponsors shall implement the following measures.</p> <p>A. All new diesel backup generators shall:</p> <p>I. have engines that meet or exceed CARB Tier 4 off-road emission standards which have the lowest NOx emissions of commercially</p>	Project sponsors	Prior to approval of a generator permit by Port Staff.	Anticipated location and engine specifications of a proposed diesel backup generator shall be submitted to the Port Staff for review and approval prior to	Considered complete upon review and approval by Port Staff.	Port

**MASTER LEASE EXHIBIT G**

File No. 2014-001272ENV  
 Pier 70 Mixed-Use District Project  
 Planning Commission Motion No. 19977

MITIGATION MONITORING AND REPORTING PROGRAM FOR PIER 70 MIXED-USE DISTRICT PROJECT					
MEASURES ADOPTED AS CONDITIONS OF APPROVAL	Implementation Responsibility	Mitigation Schedule	Monitoring/ Reporting Responsibility	Monitoring Schedule	Monitoring Agency
<p>available generators; and</p> <p>2. be fueled with renewable diesel, if commercially available, which has been demonstrated to reduce NOx emissions by approximately 10 percent.</p> <p>B. All new diesel backup generators shall have an annual maintenance testing limit of 50 hours, subject to any further restrictions as may be imposed by the BAAQMD in its permitting process.</p> <p>C. For each new diesel backup generator permit submitted to BAAQMD for the project, anticipated location, and engine specifications shall be submitted to the Port Staff for review and approval prior to issuance of a permit for the generator from the San Francisco DBI or the Port. Once operational, all diesel backup generators shall be maintained in good working order for the life of the equipment and any future replacement of the diesel backup generators shall be required to be consistent with these emissions specifications. The operator of the facility at which the generator is located shall maintain records of the testing schedule for each diesel backup generator for the life of that diesel backup generator and provide this information for review to the Port within 3 months of requesting such information.</p>			issuance of a generator permit.		
<p><b>Mitigation Measure M-AQ-1c: Use Low and Super-compliant VOC Architectural Coatings in Maintaining Buildings through Covenants Conditions and Restrictions (CC&amp;Rs) and Ground Lease</b></p> <p>The Project sponsors shall require all developed parcels to include within their CC&amp;R's and/or ground leases requirements for all future interior spaces to be repainted only with "Super-Compliant" Architectural Coatings (<a href="http://www.aqmd.gov/home/regulations/compliance/architectural-coatings/super-compliant-coatings">http://www.aqmd.gov/home/regulations/compliance/architectural-coatings/super-compliant-coatings</a>). "Low-VOC" refers to paints that meet the more stringent regulatory limits in South Coast AQMD Rule 1113; however, many manufacturers have reformulated to levels well below these limits. These are referred to as "Super-Compliant" Architectural Coatings.</p>	Project sponsors and construction contractor(s).	Project sponsors submit to the Port documentation of CC&R's and/or ground lease requirements prior to building occupancy	Project sponsors to include in CC&R's and/or ground lease requirements with buildings tenants prior to building occupancy.	Considered complete upon project sponsor submittal to the Port of documentation of CC&R's and/or ground lease requirements	Port or Planning Department

**MASTER LEASE EXHIBIT G**

File No. 2014-001272ENV  
 Pier 70 Mixed-Use District Project  
 Planning Commission Motion No. 19977

MITIGATION MONITORING AND REPORTING PROGRAM FOR PIER 70 MIXED-USE DISTRICT PROJECT					
MEASURES ADOPTED AS CONDITIONS OF APPROVAL	Implementation Responsibility	Mitigation Schedule	Monitoring/ Reporting Responsibility	Monitoring Schedule	Monitoring Agency
<p><b>Mitigation Measure M-AQ-1d: Promote use of Green Consumer Products</b></p> <p>The project sponsors shall provide education for residential and commercial tenants concerning green consumer products. Prior to receipt of any certificate of final occupancy and every five years thereafter, the project sponsors shall work with the San Francisco Department of Environment (SF Environment) to develop electronic correspondence to be distributed by email annually to residential and/or commercial tenants of each building on the project site that encourages the purchase of consumer products that generate lower than typical VOC emissions. The correspondence shall encourage environmentally preferable purchasing and shall include contact information and links to SF Approved. The website may also be used as an informational resource by businesses and residents.</p>	Project sponsors.	<p>permit.</p> <p>Prior to occupancy of the building by tenants and every five years thereafter, project sponsors to distribute educational materials to tenants.</p>	Project sponsors to work with SF Environment to develop educational materials.	Considered complete after distribution of educational materials to residential and commercial tenants.	Port or Planning Department
<p><b>Mitigation Measure M-AQ-1e: Electrification of Loading Docks</b></p> <p>The project sponsors shall ensure that loading docks for retail, light industrial or warehouse uses that will receive deliveries from refrigerated transport trucks incorporate electrification hook-ups for transportation refrigeration units to avoid emissions generated by idling refrigerated transport trucks.</p>	Project sponsors	<p>Prior to issuance of a building permit for a building containing loading docks for retail, light industrial or warehouse uses.</p>	Project sponsors to provide construction plans to DBI or the Port to ensure compliance.	Considered complete upon approval of construction plans by DBI or the Port.	Port or Planning Department
<p><b>Mitigation Measure M-AQ-1f: Transportation Demand Management.</b></p> <p>The project sponsors shall prepare and implement a Transportation Demand Management (TDM) Plan with a goal of reducing estimated daily one-way vehicle trips by 20 percent compared to the total number of daily one-way vehicle trips identified in the project's Transportation Impact Study at project build-out. To ensure that this reduction goal could be reasonably achieved, the TDM Plan will have a monitoring goal of reducing by 20 percent the daily one-way vehicle trips calculated for each building that has received a</p>	Developer to prepare and implement the TDM Plan, which will be implemented by the Transportation Management Association and will	<p>Developer to prepare TDM Plan and submit to Planning Staff prior to approval of the project</p>	Project sponsors to submit the TDM Plan to Planning Staff for review. Transportation Demand Management	The TDM Plan is considered complete upon approval by the Planning Staff. Annual monitoring	Planning Department



**MASTER LEASE EXHIBIT G**

File No. 2014-001272ENV  
 Pier 70 Mixed-Use District Project  
 Planning Commission Motion No. 19977

MITIGATION MONITORING AND REPORTING PROGRAM FOR PIER 70 MIXED-USE DISTRICT PROJECT					
MEASURES ADOPTED AS CONDITIONS OF APPROVAL	Implementation Responsibility	Mitigation Schedule	Monitoring/ Reporting Responsibility	Monitoring Schedule	Monitoring Agency
<p>Certificate of Occupancy and is at least 75% occupied compared to the daily one-way vehicle trips anticipated for that building based on anticipated development on that parcel, using the trip generation rates contained within the project's Transportation Impact Study. There shall be a Transportation Management Association that would be responsible for the administration, monitoring, and adjustment of the TDM Plan. The project sponsor is responsible for identifying the components of the TDM Plan that could reasonably be expected to achieve the reduction goal for each new building associated with the project, and for making good faith efforts to implement them. The TDM Plan may include, but is not limited to, the types of measures summarized below for explanatory example purposes. Actual TDM measures selected should include those from the TDM Program Standards, which describe the scope and applicability of candidate measures in detail and include:</p> <ul style="list-style-type: none"> <li>• Active Transportation: Provision of streetscape improvements to encourage walking, secure bicycle parking, shower and locker facilities for cyclists, subsidized bike share memberships for project occupants, bicycle repair and maintenance services, and other bicycle-related services;</li> <li>• Car-Share: Provision of car-share parking spaces and subsidized memberships for project occupants;</li> <li>• Delivery: Provision of amenities and services to support delivery of goods to project occupants;</li> <li>• Family-Oriented Measures: Provision of on-site childcare and other amenities to support the use of sustainable transportation modes by families;</li> <li>• High-Occupancy Vehicles: Provision of carpooling/vanpooling incentives and shuttle bus service;</li> <li>• Information and Communications: Provision of multimodal</li> </ul>	<p>be binding on all development parcels.</p>		<p>Association to submit monitoring report annually to Planning Staff and implement TDM Plan Adjustments (if required).</p>	<p>reports would be on-going during project buildout, or until five consecutive reporting periods show that the project has met its reduction goals, at which point reports would be submitted every three years.</p>	

**MASTER LEASE EXHIBIT G**

File No. 2014-001272ENV  
 Pier 70 Mixed-Use District Project  
 Planning Commission Motion No. 19977

MITIGATION MONITORING AND REPORTING PROGRAM FOR PIER 70 MIXED-USE DISTRICT PROJECT					
MEASURES ADOPTED AS CONDITIONS OF APPROVAL	Implementation Responsibility	Mitigation Schedule	Monitoring/Reporting Responsibility	Monitoring Schedule	Monitoring Agency
<p>wayfinding signage, transportation information displays, and tailored transportation marketing services;</p> <ul style="list-style-type: none"> <li>• Land Use: Provision of on-site affordable housing and healthy food retail services in underserved areas;</li> <li>• Parking: Provision of unbundled parking, short term daily parking provision, parking cash out offers, and reduced off-street parking supply.</li> </ul> <p>The TDM Plan shall include specific descriptions of each measure, including the degree of implementation (e.g., for how long will it be in place), and the population that each measure is intended to serve (e.g. residential tenants, retail visitors, employees of tenants, visitors, etc.). It shall also include a commitment to monitoring of person and vehicle trips traveling to and from the project site to determine the TDM Plan's effectiveness, as outlined below.</p> <p>The TDM Plan shall be submitted to the City to ensure that components of the TDM Plan intended to meet the reduction target are shown on the plans and/or ready to be implemented upon the issuance of each certificate of occupancy.</p> <p><i>TDM Plan Monitoring and Reporting:</i> The Transportation Management Association, through an on-site Transportation Coordinator, shall collect data and make monitoring reports available for review and approval by the Planning Department staff.</p> <ul style="list-style-type: none"> <li>• <u>Timing:</u> Monitoring data shall be collected and reports shall be submitted to Planning Department staff every year (referred to as "reporting periods"), until five consecutive reporting periods</li> </ul>					

**MASTER LEASE EXHIBIT G**

File No. 2014-001272ENV  
 Pier 70 Mixed-Use District Project  
 Planning Commission Motion No. 19977

MITIGATION MONITORING AND REPORTING PROGRAM FOR PIER 70 MIXED-USE DISTRICT PROJECT					
MEASURES ADOPTED AS CONDITIONS OF APPROVAL	Implementation Responsibility	Mitigation Schedule	Monitoring/ Reporting Responsibility	Monitoring Schedule	Monitoring Agency <sup>1</sup>
<p>display the fully-built project has met the reduction goal, at which point monitoring data shall be submitted to Planning Department staff once every three years. The first monitoring report is required 18 months after issuance of the First Certificate of Occupancy for buildings that include off-street parking or the establishment of surface parking lots or garages that bring the project's total number of off-street parking spaces to greater than or equal to 500. Each trip count and survey (see below for description) shall be completed within 30 days following the end of the applicable reporting period. Each monitoring report shall be completed within 90 days following the applicable reporting period. The timing shall be modified such that a new monitoring report shall be required 12 months after adjustments are made to the TDM Plan in order to meet the reduction goal, as may be required in the "TDM Plan Adjustments" heading below. In addition, the timing may be modified by the Planning Department as needed to consolidate this requirement with other monitoring and/or reporting requirements for the project.</p> <ul style="list-style-type: none"> <li>• <u>Components:</u> The monitoring report, including trip counts and surveys, shall include the following components OR comparable alternative methodology and components as approved or provided by Planning Department staff:                         <ul style="list-style-type: none"> <li>o Trip Count and Intercept Survey: Trip count and intercept survey of persons and vehicles arriving and leaving the project site for no less than two days of the reporting period between 6:00 a.m. and 8:00 p.m. One day shall be a Tuesday, Wednesday, or Thursday during one week without federally recognized holidays, and another day shall be a Tuesday, Wednesday, or Thursday during another week without federally recognized holidays. The trip count and intercept survey shall be prepared by a qualified transportation or qualified survey consultant and the methodology shall be</li> </ul> </li> </ul>					

**MASTER LEASE EXHIBIT G**

File No. 2014-001272ENV  
 Pier 70 Mixed-Use District Project  
 Planning Commission Motion No. 19977

MITIGATION MONITORING AND REPORTING PROGRAM FOR PIER 70 MIXED-USE DISTRICT PROJECT					
MEASURES ADOPTED AS CONDITIONS OF APPROVAL	Implementation Responsibility	Mitigation Schedule	Monitoring/ Reporting Responsibility	Monitoring Schedule	Monitoring Agency
<p>approved by the Planning Department prior to conducting the components of the trip count and intercept survey. It is anticipated that the Planning Department will have a standard trip count and intercept survey methodology developed and available to project sponsors at the time of data collection.</p> <ul style="list-style-type: none"> <li>o Travel Demand Information: The above trip count and survey information shall be able to provide travel demand analysis characteristics (work and non-work trip counts, origins and destinations of trips to/from the project site, and modal split information) as outlined in the Planning Department's <i>Transportation Impact Analysis Guidelines for Environmental Review</i>, October 2002, or subsequent updates in effect at the time of the survey.</li> <li>o Documentation of Plan Implementation: The TDM Coordinator shall work in conjunction with the Planning Department to develop a survey (online or paper) that can be reasonably completed by the TDM Coordinator and/or TMA staff to document the implementation of TDM program elements and other basic information during the reporting period. This survey shall be included in the monitoring report submitted to Planning Department staff.</li> <li>o Degree of Implementation: The monitoring report shall include descriptions of the degree of implementation (e.g., how many tenants or visitors the TDM Plan will benefit, and on which locations within the site measures will be/have been placed, etc.)</li> <li>o Assistance and Confidentiality: Planning Department staff will assist the TDM Coordinator on questions regarding the components of the monitoring report and shall ensure that the identity of individual survey responders is protected.</li> </ul> <p><i>TDM Plan Adjustments.</i> The TDM Plan shall be adjusted based on the</p>					

**MASTER LEASE EXHIBIT G**

File No. 2014-001272ENV  
 Pier 70 Mixed-Use District Project  
 Planning Commission Motion No. 19977

MITIGATION MONITORING AND REPORTING PROGRAM FOR PIER 70 MIXED-USE DISTRICT PROJECT					
MEASURES ADOPTED AS CONDITIONS OF APPROVAL	Implementation Responsibility	Mitigation Schedule	Monitoring/Reporting Responsibility	Monitoring Schedule	Monitoring Agency
<p>monitoring results if three consecutive reporting periods demonstrate that measures within the TDM Plan are not achieving the reduction goal. The TDM Plan adjustments shall be made in consultation with Planning Department staff and may require refinements to existing measures (e.g., change to subsidies, increased bicycle parking), inclusion of new measures (e.g., a new technology), or removal of existing measures (e.g., measures shown to be ineffective or induce vehicle trips). If three consecutive reporting periods' monitoring results demonstrate that measures within the TDM Plan are not achieving the reduction goal, the TDM Plan adjustments shall occur within 270 days following the last consecutive reporting period. The TDM Plan adjustments shall occur until three consecutive reporting periods' monitoring results demonstrate that the reduction goal is achieved. If the TDM Plan does not achieve the reduction goal then the City shall impose additional measures to reduce vehicle trips as prescribed under the development agreement, which may include restriction of additional off-street parking spaces beyond those previously established on the site, capital or operational improvements intended to reduce vehicle trips from the project, or other measures that support sustainable trip making, until three consecutive reporting periods' monitoring results demonstrate that the reduction goal is achieved.</p>	Project sponsors and TMA.	On-going.	Project sponsors and TMA to implement measures	On-going.	Port or Planning Department/DBI
<p><b>Mitigation Measure M-AQ-1g: Additional Mobile Source Control Measures</b></p> <p>The following Mobile Source Control Measures from the BAAQMD's 2010 Clean Air Plan shall be implemented:</p> <ul style="list-style-type: none"> <li>Promote use of clean fuel-efficient vehicles through preferential (designated and proximate to entry) parking and/or installation of charging stations beyond the level required by the City's Green Building code, from 8 to 20 percent.</li> <li>Promote zero-emission vehicles by requesting that any car share program operator include electric vehicles within its car share</li> </ul>	Project sponsors and TMA.	On-going.	Project sponsors and TMA to implement measures	On-going.	Port or Planning Department/DBI

**MASTER LEASE EXHIBIT G**

File No. 2014-001272ENV  
 Pier 70 Mixed-Use District Project  
 Planning Commission Motion No. 19977

MITIGATION MONITORING AND REPORTING PROGRAM FOR PIER 70 MIXED-USE DISTRICT PROJECT					
MEASURES ADOPTED AS CONDITIONS OF APPROVAL	Implementation Responsibility	Mitigation Schedule	Monitoring/Reporting Responsibility	Monitoring Schedule	Monitoring Agency
<p>program to reduce the need to have a vehicle or second vehicle as a part of the TDM program that would be required of all new developments.</p> <p><b>Mitigation Measure M-AQ-1h: Offset of Operational Emissions</b>                      Prior to issuance of the final certificate of occupancy for the final building associated with Phase 3, or after build out of 1.3 million square feet of development, whichever comes first, the project sponsors, with the oversight of Port Staff, shall either:</p> <p><b>(1) Directly fund or implement a specific offset project within San Francisco</b> to achieve reductions of 25 tons per year of ozone precursors and 1 ton of PM10. This offset is intended to offset the estimated annual tonnage of operational ozone precursor and PM10 emissions under the buildout scenario realized at the time of completion of Phase 3. To qualify under this mitigation measure, the specific emissions offset project must result in emission reductions within the SFBAAB that would not otherwise be achieved through compliance with existing regulatory requirements. A preferred offset project would be one implemented locally within the City and County of San Francisco. Prior to implementation of the offset project, the project sponsors must obtain Port Staff's approval of the proposed offset project by providing documentation of the estimated amount of emissions of ROG, NOx, and PM10 to be reduced (tons per year) within the SFBAAB from the emissions reduction project(s). The project sponsors shall notify Port Staff within 6 months of completion of the offset project for verification; or</p> <p><b>(2) Pay a one-time mitigation offset fee to the BAAQMD's Strategic Incentives Division</b> in an amount no less than \$18,030 per weighted ton of ozone precursors and PM10 per year above the significance threshold, calculated as the difference between total annual emissions at build out under mitigated conditions and the</p>	Project sponsors.	<p><u>Offsets for Phase 3/build-out of 1.3 million square feet:</u>                      Upon completion of construction, and prior to issuance of a Certificate of Occupancy for the final building associated with Phase 3, or after build out of 1.3 million square feet of development, whichever comes first, developer shall demonstrate to the satisfaction of Port Staff that offsets have been funded or implemented.</p>	Port Staff to approve the proposed offset project.	<p>If project sponsor directly funds or implements a specific offset project, considered complete when Port Staff approves the proposed offset project prior to individual Certificates of Occupancy.</p> <p>If project sponsor pays a one-time mitigation offset fee, considered complete when documentation of payment is provided to Port Staff.</p>	Port

**MASTER LEASE EXHIBIT G**

File No. 2014-001272ENV  
 Pier 70 Mixed-Use District Project  
 Planning Commission Motion No. 19977

MITIGATION MONITORING AND REPORTING PROGRAM FOR PIER 70 MIXED-USE DISTRICT PROJECT					
MEASURES ADOPTED AS CONDITIONS OF APPROVAL	Implementation Responsibility	Mitigation Schedule	Monitoring/Reporting Responsibility	Monitoring Schedule	Monitoring Agency
<p>significance threshold in the EIR air quality analysis, which is 25 tons per year of ozone precursors and 1 ton of PM10, plus a 5 percent administrative fee, to fund one or more emissions reduction projects within the SFBAAB. This one-time fee is intended to fund emissions reduction projects to offset the estimated annual tonnage of operational ozone precursor and PM10 emissions under the buildout scenario realized at the time of completion of Phase 3 or after completion of 1.3 million sf of development, whichever comes first. Documentation of payment shall be provided to Port Staff.</p> <p>Acceptance of this fee by the BAAQMD shall serve as an acknowledgment and commitment by the BAAQMD to implement one or more emissions reduction project(s) within 1 year of receipt of the mitigation fee to achieve the emission reduction objectives specified above, and provide documentation to Port Staff and to the project sponsors describing the project(s) funded by the mitigation fee, including the amount of emissions of ROG, NOx, and PM10 reduced (tons per year) within the SFBAAB from the emissions reduction project(s). If there is any remaining unspent portion of the mitigation offset fee following implementation of the emission reduction project(s), the project sponsors shall be entitled to a refund in that amount from the BAAQMD. To qualify under this mitigation measure, the specific emissions retrofit project must result in emission reductions within the SFBAAB that would not otherwise be achieved through compliance with existing regulatory requirements.</p>		<p>or offset fee has been paid, in an amount sufficient to offset emissions above BAAQMD thresholds for build-out to date.</p> <p><u>Offsets for subsequent phases/build-out</u>                      t: Upon completion of construction of each subsequent phase, and prior to issuance of a Certificate of Occupancy for the final building associated with such phase, developer shall demonstrate to the satisfaction of Port Staff that offsets</p>			

**MASTER LEASE EXHIBIT G**

File No. 2014-001272ENV  
 Pier 70 Mixed-Use District Project  
 Planning Commission Motion No. 19977

MITIGATION MONITORING AND REPORTING PROGRAM FOR PIER 70 MIXED-USE DISTRICT PROJECT					
MEASURES ADOPTED AS CONDITIONS OF APPROVAL	Implementation Responsibility	Mitigation Schedule	Monitoring/ Reporting Responsibility	Monitoring Schedule	Monitoring Agency
		have been funded or implemented, or offset fee has been paid, in an amount sufficient to offset emissions above BAAQMD thresholds for build-out to date and taking into account offsets previously funded, implemented, and/or purchased.			
<b>Wind and Shadow Mitigation Measures</b>					
<p><b>Mitigation Measure M-WS-1: Identification and Mitigation of Interim Hazardous Wind Impacts</b></p> <p>When the circumstances or conditions listed in Table M.WS.1 are present at the time a building Schematic Design is submitted, the requirements described below apply:</p> <p><b>Table M.WS.1: Circumstances or Conditions during which Mitigation Measure M-WS-1 Applies</b></p>	Project sponsors, qualified wind consultant.	As outlined in Table M.WS.1: Circumstances or Conditions during which Mitigation Measure M-WS-1 Applies, a wind impact analysis shall be	Qualified wind consultant to prepare a scope of work to be approved by Port Staff and following approval of a scope of work submit a wind impact analysis to Port Staff for approval	Considered complete upon approval or issuance of building permit.	Port



**MASTER LEASE EXHIBIT G**

File No. 2014-001272ENV  
 Pier 70 Mixed-Use District Project  
 Planning Commission Motion No. 19977

MITIGATION MONITORING AND REPORTING PROGRAM FOR PIER 70 MIXED-USE DISTRICT PROJECT						
MEASURES ADOPTED AS CONDITIONS OF APPROVAL		Implementation Responsibility	Mitigation Schedule	Monitoring/ Reporting Responsibility	Monitoring Schedule	Monitoring Agency
<b>Subject Parcel Proposed for Construction</b>	<b>Circumstance or Condition</b>	<b>Related Upwind Parcels</b>				
Parcel A	Construction of any new buildings on Parcel A.	NA	prepared for the listed circumstances prior to issuance of a building permit for any proposed building when the circumstances or conditions listed in Table M.W.S.1 are present at the time a building Schematic Design is submitted.	of feasible design changes to minimize interim hazardous wind impacts.		
Parcel B	Construction of any new buildings on Parcel B.	NA				
Parcel E2	Construction of any new buildings on Parcel E2 over 80 feet in height, prior to any construction of new buildings on approximately 80% of the combined total parcel area of Parcels H1 and G that would be completed by the estimated time of occupancy of the subject building, as estimated on or about the date of the building Schematic Design submittal.	Parcels H1 and G				
Parcel E3	Construction of any new buildings on Parcel E3 over 80 feet in height, prior to any construction of new buildings on approximately 80% of the combined total parcel area of Parcels E2 and G that would be completed by the estimated time of occupancy of the subject building, as estimated on or about the date of the building	Parcels E2 and G				

**MASTER LEASE EXHIBIT G**

File No. 2014-001272ENV  
 Pier 70 Mixed-Use District Project  
 Planning Commission Motion No. 19977

<b>MITIGATION MONITORING AND REPORTING PROGRAM FOR PIER 70 MIXED-USE DISTRICT PROJECT</b>					
<b>MEASURES ADOPTED AS CONDITIONS OF APPROVAL</b>	<b>Implementation Responsibility</b>	<b>Mitigation Schedule</b>	<b>Monitoring/ Reporting Responsibility</b>	<b>Monitoring Schedule</b>	<b>Monitoring Agency</b>
<p>Schematic Design submittal.</p> <p>Parcel F Construction of any new buildings on Parcel F. NA</p> <p>Parcel G Construction of any new buildings on Parcel G. NA</p> <p>Parcel H1 Construction of any new buildings on Parcel H1 over 80 feet in height, prior to any construction of new buildings on approximately 80% of the combined total parcel area of Parcels E2 and G that would be completed by the estimated time of occupancy of the subject building, as estimated on or about the date of the building Schematic Design submittal.</p> <p>Parcel H2 Construction of any new buildings on Parcel H2 over 80 feet in height, prior to any construction of new buildings on approximately 80% of the combined total parcel area of Parcels H1, E2, and E3 that would be completed by the estimated time of occupancy of the subject building, as estimated on or about the date of the building Schematic Design submittal.</p>					

MASTER LEASE EXHIBIT G

File No. 2014-001272ENV  
 Pier 70 Mixed-Use District Project  
 Planning Commission Motion No. 19977

MITIGATION MONITORING AND REPORTING PROGRAM FOR PIER 70 MIXED-USE DISTRICT PROJECT					
MEASURES ADOPTED AS CONDITIONS OF APPROVAL	Implementation Responsibility	Mitigation Schedule	Monitoring/ Reporting Responsibility	Monitoring Schedule	Monitoring Agency
<p><i>Source: SWCA.</i></p> <p><b>Requirements</b></p> <p>A wind impact analysis shall be required prior to building permit issuance for any proposed new building that is located within the project site and meets the conditions described above. All feasible means (e.g., changes in design, relocating or reorienting certain building(s), sculpting to include podiums and roof terraces, adding architectural canopies or screens, or street furniture) to eliminate hazardous winds, if predicted, shall be implemented. After such design changes and features have been considered, the additional effectiveness of landscaping may also be considered.</p> <p>1. <u>Screening-level analysis.</u> A qualified wind consultant approved by Port Staff shall review the proposed building design and conduct a “desktop review” in order to provide a qualitative result determining whether there could be a wind hazard. The screening-level analysis shall have the following steps: For each new building proposed that meets the criteria above, a qualified wind consultant shall review and compare the exposure, massing, and orientation of the proposed building(s) on the subject parcel to the building(s) on the same parcel in the representative massing models of the Proposed Project tested in the wind tunnel as part of this EIR and in any subsequent wind analysis testing required by this mitigation measure. The wind consultant shall identify and compare the potential impacts of the proposed building(s) to those identified in this EIR, subsequent wind testing that may have occurred under this mitigation measure, and to the City’s wind hazard criterion. The wind consultant’s analysis and evaluation shall consider the proposed building(s) in the context of the “Current Project Baseline,” which, at any given time during construction of the Proposed Project, shall be defined as any existing buildings at the site, the as-built designs of all previously-completed structures and the then-current designs of</p>					

**MASTER LEASE EXHIBIT G**

File No. 2014-001272ENV  
 Pier 70 Mixed-Use District Project  
 Planning Commission Motion No. 19977

<b>MITIGATION MONITORING AND REPORTING PROGRAM FOR PIER 70 MIXED-USE DISTRICT PROJECT</b>					
<b>MEASURES ADOPTED AS CONDITIONS OF APPROVAL</b>	<b>Implementation Responsibility</b>	<b>Mitigation Schedule</b>	<b>Monitoring/ Reporting Responsibility</b>	<b>Monitoring Schedule</b>	<b>Monitoring Agency</b>
<p>approved but yet unbuilt structures that would be completed by the time of occupancy of the subject building.</p> <p>(a) If the qualified wind consultant concludes that the building design(s) could not create a new wind hazard and could not contribute to a wind hazard identified by prior wind tunnel testing for the EIR and in subsequent wind analysis required by this mitigation measure, no further review would be required. If there could be a new wind hazard, then a quantitative assessment shall be conducted using wind tunnel testing or an equivalent quantitative analysis that produces comparable results to the analysis methodology used in this EIR.</p> <p>(b) If the qualified wind consultant concludes that the building design(s) could create a new wind hazard or could contribute to a wind hazard identified by prior wind tunnel testing conducted for this EIR and in subsequent wind analysis required by this mitigation measure, but in the consultant's professional judgment the building(s) can be modified to reduce such impact to a less-than-significant level, the consultant shall notify Port Staff and the building applicant. The consultant's professional judgment may be informed by the use of "desktop" analytical tools, such as computer tools relying on results of prior wind tunnel testing for the Proposed Project and other projects (i.e., "desktop" analysis does not include new wind tunnel testing). The analysis shall include consideration of wind location, duration, and speed of wind. The building applicant may then propose changes or supplements to the design of the proposed building(s) to achieve this result. These changes or supplements may include, but are not limited to, changes in design, building orientation, sculpting to include podiums and roof terraces, and/or the addition of architectural canopies or screens, or</p>					

**MASTER LEASE EXHIBIT G**

File No. 2014-001272ENV  
 Pier 70 Mixed-Use District Project  
 Planning Commission Motion No. 19977

MITIGATION MONITORING AND REPORTING PROGRAM FOR PIER 70 MIXED-USE DISTRICT PROJECT					
MEASURES ADOPTED AS CONDITIONS OF APPROVAL	Implementation Responsibility	Mitigation Schedule	Monitoring/Reporting Responsibility	Monitoring Schedule	Monitoring Agency
<p>street furniture. The effectiveness of landscaping may also be considered. The wind consultant shall then reevaluate the building design(s) with specified changes or supplements. If the wind consultant demonstrates to the satisfaction of Port Staff that the modified design and landscaping for the building(s) could not create a new wind hazard or contribute to a wind hazard identified in prior wind tunnel testing conducted for this EIR and in subsequent wind analysis required by this mitigation measure, no further review would be required.</p> <p>(c) If the consultant is unable to demonstrate to the satisfaction of Port Staff that no increase in wind hazards would occur, wind tunnel testing or an equivalent method of quantitative evaluation producing results that can be compared to those used in the EIR and in any subsequent wind analysis testing required by this mitigation measure is required. The building(s) shall be wind tunnel tested in the context of a model that represents the Current Project Baseline, as described in Item 1, above. The testing shall include all the test points in the vicinity of a proposed building or group of buildings that were tested in this EIR, as well as all additional points deemed appropriate by the consultant to determine the wind performance for the building(s). Testing shall occur in places identified as important, e.g., building entrances, sidewalks, etc., and there may need to be additional test point locations considered. At the direction and approval of the Port, the "vicinity" shall be determined by the wind consultant, as appropriate for the circumstances, e.g., a starting concept for "vicinity" could be approximately 350 feet around the perimeter of the subject parcel(s), subject to the wind consultant's reducing or increasing this radial distance. The wind tunnel testing shall test the proposed building design(s), as well as the Current Project Baseline, in</p>					

**MASTER LEASE EXHIBIT G**

File No. 2014-001272ENV  
 Pier 70 Mixed-Use District Project  
 Planning Commission Motion No. 19977

<b>MITIGATION MONITORING AND REPORTING PROGRAM FOR PIER 70 MIXED-USE DISTRICT PROJECT</b>					
<b>MEASURES ADOPTED AS CONDITIONS OF APPROVAL</b>	<b>Implementation Responsibility</b>	<b>Mitigation Schedule</b>	<b>Monitoring/ Reporting Responsibility</b>	<b>Monitoring Schedule</b>	<b>Monitoring Agency</b>
<p>order to clearly identify those differences that would be due to the proposed new building(s). In the event the wind tunnel testing determines that design of the building(s) would increase the hours of wind hazard or extent of area subject to hazardous winds beyond those identified in prior wind testing conducted for this EIR and in subsequent wind tunnel analysis required by this mitigation measure, the wind consultant shall notify Port Staff and the building applicant. The building applicant may then propose changes or supplements to the design of the proposed building(s) to eliminate wind hazards. These changes or supplements may include, but are not limited to, changes in design, building orientation, sculpting building(s) to include podiums and roof terraces, adding architectural canopies or screens, or street furniture. All feasible means (changes in design, relocating or reorienting certain building(s), sculpting to include podiums and roof terraces, the addition of architectural canopies or screens, or street furniture) to eliminate wind hazards, if predicted, shall be implemented to the extent necessary to mitigate the impact. After such design changes and features have been considered, the additional effectiveness of landscaping at the size it is proposed to be installed may also be considered. The wind consultant shall then reevaluate the building design(s) with specified changes or supplements. If the wind consultant demonstrates to the satisfaction of Port Staff that the modified design would not create a new wind hazard or contribute to a wind hazard identified in prior wind tunnel testing conducted for this EIR and in subsequent wind analysis required by this mitigation measure, no further review would be required.</p> <p>If the proposed building(s) would result in a wind hazard exceedance, and the only way to eliminate the hazard is to redesign a proposed building, then the building shall be redesigned.</p>					

MASTER LEASE EXHIBIT G

File No. 2014-001272ENV  
 Pier 70 Mixed-Use District Project  
 Planning Commission Motion No. 19977

MITIGATION MONITORING AND REPORTING PROGRAM FOR PIER 70 MIXED-USE DISTRICT PROJECT										
MEASURES ADOPTED AS CONDITIONS OF APPROVAL	Implementation Responsibility	Mitigation Schedule	Monitoring/Reporting Responsibility	Monitoring Schedule	Monitoring Agency					
<p><b>Mitigation Measure M-WS-2: Wind Reduction for Rooftop Winds</b>                      If the rooftop of building(s) is proposed as public open space and/or a passive or active public recreational area prior to issuance of a building permit for the subject building(s), a qualified wind consultant shall prepare a wind impact and mitigation analysis in the context of the Current Project Baseline regarding the proposed architectural design. All feasible means (such as changing the proposed building mass or design; raising the height of the parapets to at least 8 feet, using a porous material where such material would be effective in reducing wind speeds; using localized wind screens, canopies, trellises, and/or landscaping around seating areas) to eliminate wind hazards shall be implemented as necessary. A significant wind impact would be an increase in the number of hours that the wind hazard criterion is exceeded or an increase in the area subjected to winds exceeding the hazard criterion as compared to existing conditions at the height of the proposed rooftop. The wind consultant shall demonstrate to the satisfaction of Port Staff that the building design would not create a new wind hazard or contribute to a wind hazard identified in prior wind testing conducted for this EIR.</p>	Project Sponsors and qualified wind consultant.	Prior to issuance of a building permit for a building with a rooftop proposed as public open space and/or passive/active recreational area, the qualified wind consultant shall demonstrate that no new wind hazards or a contribution to a wind hazard identified in the EIR would occur in a wind hazard and mitigation analysis.	Port Staff to review wind hazard and mitigation analysis.	Considered complete upon approval or issuance of building permit	Port					
<p><b>Biological Resources Mitigation Measures</b></p> <p><b>Mitigation Measure M-BI-1a: Worker Environmental Awareness Program Training</b>                      Project-specific Worker Environmental Awareness Program (WEAP) training shall be developed and implemented by a qualified biologist* and attended by all project personnel performing demolition or ground-disturbing work prior to beginning demolition or ground-disturbing work on site for</p>						Project sponsors and qualified project biologist.	Prior to demolition or ground-disturbing activities.	Port staff to review and approve WEAP training. Project sponsors and qualified biological consultant to document WEAP	Considered complete after Port staff reviews and approves WEAP training, and confirm	Port or Planning Department

**MASTER LEASE EXHIBIT G**

File No. 2014-001272ENV  
 Pier 70 Mixed-Use District Project  
 Planning Commission Motion No. 19977

MITIGATION MONITORING AND REPORTING PROGRAM FOR PIER 70 MIXED-USE DISTRICT PROJECT					
MEASURES ADOPTED AS CONDITIONS OF APPROVAL	Implementation Responsibility	Mitigation Schedule	Monitoring/ Reporting Responsibility	Monitoring Schedule	Monitoring Agency
<p>each construction phase. The WEAP training shall include, but not be limited to, education about the following:</p> <ul style="list-style-type: none"> <li>a. Applicable State and Federal laws, environmental regulations, project permit conditions, and penalties for non-compliance.</li> <li>b. Special-status plant and animal species with the potential to be encountered on or in the vicinity of the project site during construction.</li> <li>c. Avoidance measures and a protocol for encountering special-status species including a communication chain.</li> <li>d. Preconstruction surveys and biological monitoring requirements associated with each phase of work and at specific locations within the project site (e.g., shoreline work) as biological resources and protection measures will vary depending on where work is occurring within the site, time of year, and construction activity.</li> <li>e. Known sensitive resource areas in the project vicinity that are to be avoided and/or protected as well as approved project work areas, access roads, and staging areas.</li> </ul> <p>Best management practices (BMPs) (e.g., straw wattles or spill kits) and their location around the project site for erosion control and species exclusion, in addition to general housekeeping requirements.</p> <p>* Typical experience requirements for a "qualified biologist" include a minimum of four years of academic training and professional experience in biological sciences and related resource management activities, and a minimum of two years of experience conducting surveys for each species that may be present within the project area.</p>	Project sponsors, qualified biological consultant.	Prior to issuance of demolition or building	If construction will occur during nesting season, qualified biological consultant to	Compliance in annual mitigation report.	Port or Planning Department
<p><b>Mitigation Measure M-BI-1b: Nesting Bird Protection Measures</b></p> <p>The project site's proximity to San Francisco Bay and its current lack of</p>					



**MASTER LEASE EXHIBIT G**

File No. 2014-001272ENV  
 Pier 70 Mixed-Use District Project  
 Planning Commission Motion No. 19977

MITIGATION MONITORING AND REPORTING PROGRAM FOR PIER 70 MIXED-USE DISTRICT PROJECT					
MEASURES ADOPTED AS CONDITIONS OF APPROVAL	Implementation Responsibility	Mitigation Schedule	Monitoring/ Reporting Responsibility	Monitoring Schedule	Monitoring Agency
<p>activity result in a more attractive environment for birds to nest than other San Francisco locations (e.g., the Financial District) that have higher levels of site activity and human presence. Nesting birds and their nests shall be protected during construction by implementation of the following measures for each construction phase:</p> <p>a. To the extent feasible, conduct initial activities including, but not limited to, vegetation removal, tree trimming or removal, ground disturbance, building demolition, site grading, and other construction activities which may compromise breeding birds or the success of their nests (e.g., CRF, rock drilling, rock crushing, or pile driving), outside of the nesting season (January 15–August 15).</p> <p>b. If construction during the bird nesting season cannot be fully avoided, a qualified wildlife biologist* shall conduct pre-construction nesting surveys within 14 days prior to the start of construction or demolition at areas that have not been previously disturbed by project activities or after any construction breaks of 14 days or more. Surveys shall be performed for suitable habitat within 250 feet of the project site in order to locate any active passerine (perching bird) nests and within 500 feet of the project site to locate any active raptor (birds of prey) nests, waterbird nesting pairs, or colonies.</p> <p>c. If active nests are located during the preconstruction bird nesting surveys, a qualified biologist shall evaluate if the schedule of construction activities could affect the active nests and if so, the following measures would apply:</p> <p>i. If construction is not likely to affect the active nest, construction may proceed without restriction; however, a qualified biologist shall regularly monitor the nest at a frequency determined appropriate for the surrounding construction activity to confirm there is no adverse effect. Spot-check monitoring frequency</p>		<p>permits for construction during the nesting season (January 15 to August 15) (<del>August 16</del> – January 14)</p>	<p>conduct bat surveys and present results to Port Staff</p>	<p>building permits for construction</p>	

**MASTER LEASE EXHIBIT G**

File No. 2014-001272ENV  
 Pier 70 Mixed-Use District Project  
 Planning Commission Motion No. 19977

<b>MITIGATION MONITORING AND REPORTING PROGRAM FOR PIER 70 MIXED-USE DISTRICT PROJECT</b>					
<b>MEASURES ADOPTED AS CONDITIONS OF APPROVAL</b>	<b>Implementation Responsibility</b>	<b>Mitigation Schedule</b>	<b>Monitoring/ Reporting Responsibility</b>	<b>Monitoring Schedule</b>	<b>Monitoring Agency</b>
<p>would be determined on a nest-by-nest basis considering the particular construction activity, duration, proximity to the nest, and physical barriers which may screen activity from the nest. The qualified biologist may revise his/her determination at any time during the nesting season in coordination with the Port of San Francisco or Planning Department.</p> <p>ii. If it is determined that construction may affect the active nest, the qualified biologist shall establish a no-disturbance buffer around the nest(s) and all project work shall halt within the buffer until a qualified biologist determines the nest is no longer in use. Typically, these buffer distances are 250 feet for passerines and 500 feet for raptors; however, the buffers may be adjusted if an obstruction, such as a building, is within line-of-sight between the nest and construction.</p> <p>iii. Modifying nest buffer distances, allowing certain construction activities within the buffer, and/or modifying construction methods in proximity to active nests shall be done at the discretion of the qualified biologist and in coordination with the Port of San Francisco or Planning Department, who would notify CDFW. Necessary actions to remove or relocate an active nest(s) shall be coordinated with the Port of San Francisco or Planning Department and approved by CDFW.</p> <p>iv. Any work that must occur within established no-disturbance buffers around active nests shall be monitored by a qualified biologist. If adverse effects in response to project work within the buffer are</p>					

**MASTER LEASE EXHIBIT G**

File No. 2014-001272ENV  
 Pier 70 Mixed-Use District Project  
 Planning Commission Motion No. 19977

MITIGATION MONITORING AND REPORTING PROGRAM FOR PIER 70 MIXED-USE DISTRICT PROJECT					
MEASURES ADOPTED AS CONDITIONS OF APPROVAL	Implementation Responsibility	Mitigation Schedule	Monitoring/Reporting Responsibility	Monitoring Schedule	Monitoring Agency
<p>observed and could compromise the nest, work within the no-disturbance buffer(s) shall halt until the nest occupants have fledged.</p> <p>v. Any birds that begin nesting within the project area and survey buffers amid construction activities are assumed to be habituated to construction-related or similar noise and disturbance levels, so exclusion zones around nests may be reduced or eliminated in these cases as determined by the qualified biologist in coordination with the Port of San Francisco or Planning Department, who would notify CDFW. Work may proceed around these active nests as long as the nests and their occupants are not directly impacted.</p> <p>* Typical experience requirements for a "qualified biologist" include a minimum of four years of academic training and professional experience in biological sciences and related resource management activities, and a minimum of two years of experience conducting surveys for each species that may be present within the project area.</p> <p><b>Mitigation Measure M-BI-2: Avoidance and Minimization Measures for Bats</b></p> <p>A qualified biologist (as defined by CDFW*) who is experienced with bat surveying techniques (including auditory sampling methods), behavior, roosting habitat, and identification of local bat species shall be consulted prior to demolition or building relocation activities to conduct a pre-construction habitat assessment of the project site (focusing on buildings to be demolished or relocated) to characterize potential bat habitat and identify potentially active roost sites. No further action is required should the pre-construction habitat assessment not identify bat habitat or signs of potentially active bat roosts within the project site (e.g., guano, urine staining, dead bats, etc.).</p>	Project sponsors, qualified biological consultant, and CDFW.	Prior to issuance of demolition or building permits when trees or shrubs would be removed or buildings demolished as part of an individual project.	Qualified biological consultant to conduct bat surveys and present results to Port Staff.	Considered complete upon issuance of demolition or building permits.	Port or Planning Department

**MASTER LEASE EXHIBIT G**

File No. 2014-001272ENV  
 Pier 70 Mixed-Use District Project  
 Planning Commission Motion No. 19977

<b>MITIGATION MONITORING AND REPORTING PROGRAM FOR PIER 70 MIXED-USE DISTRICT PROJECT</b>					
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<p>The following measures shall be implemented should potential roosting habitat or potentially active bat roosts be identified during the habitat assessment in buildings to be demolished or relocated under the Proposed Project or in trees adjacent to construction activities that could be trimmed or removed under the Proposed Project:</p> <p>a) In areas identified as potential roosting habitat during the habitat assessment, initial building demolition, relocation, and any tree work (trimming or removal) shall occur when bats are active, approximately between the periods of March 1 to April 15 and August 15 to October 15, to the extent feasible. These dates avoid the bat maternity roosting season and period of winter torpor. [Torpor refers to a state of decreased physiological activity with reduced body temperature and metabolic rate.]</p> <p>b) Depending on temporal guidance as defined below, the qualified biologist shall conduct pre-construction surveys of potential bat roost sites identified during the initial habitat assessment no more than 14 days prior to building demolition or relocation, or any tree trimming or removal.</p> <p>c) If active bat roosts or evidence of roosting is identified during pre-construction surveys, the qualified biologist shall determine, if possible, the type of roost and species. A no-disturbance buffer shall be established around roost sites until the qualified biologist determines they are no longer active. The size of the no-disturbance buffer would be determined by the qualified biologist and would depend on the species present, roost type, existing screening around the roost site (such as dense vegetation or a building), as well as the type of construction activity that would occur around the roost site.</p> <p>d) If special-status bat species or maternity or hibernation roosts are detected during these surveys, appropriate species- and roost-specific avoidance and protection measures shall be</p>					

**MASTER LEASE EXHIBIT G**

File No. 2014-001272ENV  
 Pier 70 Mixed-Use District Project  
 Planning Commission Motion No. 19977

<b>MITIGATION MONITORING AND REPORTING PROGRAM FOR PIER 70 MIXED-USE DISTRICT PROJECT</b>					
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<p>developed by the qualified biologist in coordination with CDFW. Such measures may include postponing the removal of buildings or structures, establishing exclusionary work buffers while the roost is active (e.g., 100-foot no-disturbance buffer), or other compensatory mitigation.</p> <p>e) The qualified biologist shall be present during building demolition, relocation, or tree work if potential bat roosting habitat or active bat roosts are present. Buildings and trees with active roosts shall be disturbed only under clear weather conditions when precipitation is not forecast for three days and when daytime temperatures are at least 50 degrees Fahrenheit.</p> <p>f) The demolition or relocation of buildings containing or suspected to contain bat roosting habitat or active bat roosts shall be done under the supervision of the qualified biologist. When appropriate, buildings shall be partially dismantled to significantly change the roost conditions, causing bats to abandon and not return to the roost, likely in the evening and after bats have emerged from the roost to forage. Under no circumstances shall active maternity roosts be disturbed until the roost disbands at the completion of the maternity roosting season or otherwise becomes inactive, as determined by the qualified biologist.</p> <p>g) Trimming or removal of existing trees with potential bat roosting habitat or active (non-maternity or hibernation) bat roost sites shall follow a two-step removal process (which shall occur during the time of year when bats are active, according to a) above, and depending on the type of roost and species present, according to c) above).</p> <p>i. On the first day and under supervision of the qualified biologist, tree branches and limbs not containing cavities or fissures in which bats could roost shall be cut using chainsaws.</p>					

**MASTER LEASE EXHIBIT G**

File No. 2014-001272ENV  
 Pier 70 Mixed-Use District Project  
 Planning Commission Motion No. 19977

<b>MITIGATION MONITORING AND REPORTING PROGRAM FOR PIER 70 MIXED-USE DISTRICT PROJECT</b>					
<b>MEASURES ADOPTED AS CONDITIONS OF APPROVAL</b>	<b>Implementation Responsibility</b>	<b>Mitigation Schedule</b>	<b>Monitoring/Reporting Responsibility</b>	<b>Monitoring Schedule</b>	<b>Monitoring Agency</b>
<p>ii. On the following day and under the supervision of the qualified biologist, the remainder of the tree may be trimmed or removed, either using chainsaws or other equipment (e.g., excavator or backhoe).</p> <p>All felled trees shall remain on the ground for at least 24 hours prior to chipping, off-site removal, or other processing to allow any bats to escape, or be inspected once felled by the qualified biologist to ensure no bats remain within the tree and/or branches.</p> <p>iv. * CDFW defines credentials of a "qualified biologist" within permits or authorizations issued for a project. Typical qualifications include a minimum of five years of academic training and professional experience in biological sciences and related resource management activities, and a minimum of two years of experience conducting surveys for each species that may be present within the project area.</p>	Project sponsors.	Prior to construction of the bulkhead in Reach II, project sponsors to prepare a Construction Plan.	Project sponsors to prepare a Construction Plan and submit it to the Port for review and approval. If determined necessary, sound attenuation and monitoring plan would then be developed. Results of the vibration monitoring would be provided to NOAA if required. An alternative to the sound	Considered complete upon review and approval of the Construction Plan. If determined necessary, approval of the sound attenuation and monitoring plan would be required by Port Staff, and monitoring results would be provided to	Port
<p><b>Mitigation Measure M-BI-3: Pile Driving Noise Reduction for Protection of Fish and Marine Mammals</b></p> <p>Prior to the start of reconstruction of the bulkhead in Reach II, the project sponsors shall prepare a detailed Construction Plan that outlines the details of the piling installation approach. This Plan shall be reviewed and approved by Port Staff. The information provided in this plan shall include, but not be limited to, the following:</p> <ul style="list-style-type: none"> <li>• The type of piling to be used (whether sheet pile or H-pile);</li> <li>• The piling size to be used;</li> <li>• The method of pile installation to be used;</li> <li>• Noise levels for the type of piling to be used and the method of pile driving;</li> <li>• Recalculation of potential underwater noise levels that could be generated during pile driving using methodologies outlined in</li> </ul>					

**MASTER LEASE EXHIBIT G**

File No. 2014-001272ENV  
 Pier 70 Mixed-Use District Project  
 Planning Commission Motion No. 19977

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MEASURES ADOPTED AS CONDITIONS OF APPROVAL	Implementation Responsibility	Mitigation Schedule	Monitoring/ Reporting Responsibility	Monitoring Schedule	Monitoring Agency
<p>CalTrans 2009 [Caltrans, Technical Guidance for Assessment and Mitigation]; and</p> <ul style="list-style-type: none"> <li>When pile driving is to occur.</li> </ul> <p>If the results of the recalculations provided in the detailed Construction Plan for pile driving discussed above indicate that underwater noise levels are less than 183 dB (SEL) for fish at a distance of 33 feet (less than or equal to 10 meters) and 160 dB (RMS) sound pressure level or 120 dB (RMS) re 1 µPa impulse noise level for marine mammals for a distance 1,640 feet (500 meters), then no further measures are required to mitigate underwater noise. If recalculated noise levels are greater than those identified above, then the project sponsors shall develop a sound attenuation reduction and monitoring plan. This plan shall be reviewed and approved by Port Staff. This plan shall provide detail on the sound attenuation system, detail methods used to monitor and verify sound levels during pile-driving activities, and all BMPs to be taken to reduce impact hammer pile-driving sound in the marine environment to an intensity level of less than 183 and 160/120 dB (as identified above) at distances of 33 feet (less than or equal to 10 meters) for fish and 1,640 feet (500 meters) for marine mammals. The sound-monitoring results shall be made available to NOAA Fisheries. If, in the case of marine mammals, recalculated noise levels are greater than 160 dB (peak) at less than or equal to 1,640 feet (500 meters), then the project sponsors shall consult with NOAA to determine the need to obtain an Incidental Harassment Authorization (IHA) under the MMPA. If an IHA is required by NOAA, an application for an IHA shall be prepared by the project sponsors.</p> <p>The plan shall incorporate as appropriate, but not be limited to, the following BMPs:</p> <ul style="list-style-type: none"> <li>Any impact-hammer-installed soldier wall H-pilings or sheet piling shall be conducted in strict accordance with the Long-Term Management Strategy (LTMS) work windows for Pacific herring,* during which the presence of Pacific herring in the project site is</li> </ul>			attenuation and monitoring plan is to consult with NOAA and provide evidence to the satisfaction of Port Staff.	NOAA.	

**MASTER LEASE EXHIBIT G**

File No. 2014-001272ENV  
 Pier 70 Mixed-Use District Project  
 Planning Commission Motion No. 19977

<b>MITIGATION MONITORING AND REPORTING PROGRAM FOR PIER 70 MIXED-USE DISTRICT PROJECT</b>					
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<p>expected to be minimal unless, where applicable, NOAA Fisheries in their Section 7 consultation with the Corps determines that the potential effect to special-status fish species is less than significant.</p> <ul style="list-style-type: none"> <li>• If pile installation using impact hammers must occur at times other than the approved LTMS work window for Pacific herring or result in underwater sound levels greater than those identified above, the project sponsors shall consult with both NOAA Fisheries and CDFW on the need to obtain incidental take authorizations to address potential impacts to longfin smelt and green sturgeon associated with reconstruction of the steel sheet pile bulkhead in Reach II, and to implement all requested actions to avoid impacts.</li> <li>• A 1,640-foot (500-meter) safety zone shall be established and maintained around the sound source to the extent such a safety zone is located within in-water areas, for the protection of marine mammals in the event that sound levels are unknown or cannot be adequately predicted.</li> <li>• In-water work activities associated with reconstruction of the steel sheet pile bulkhead in Reach II shall be halted when a marine mammal enters the 1,640-foot (500-meter) safety zone and shall cease until the mammal has been gone from the area for a minimum of 15 minutes.</li> <li>• A "soft start" technique shall be used in all pile driving, giving marine mammals an opportunity to vacate the area.</li> <li>• A NOAA Fisheries-approved biological monitor shall conduct daily surveys before and during impact hammer pile driving to inspect the safety zone and adjacent San Francisco Bay waters for marine mammals. The monitor shall be present as specified by NOAA Fisheries during the impact pile-driving phases of construction.</li> </ul>					



MASTER LEASE EXHIBIT G

File No. 2014-001272ENV  
 Pier 70 Mixed-Use District Project  
 Planning Commission Motion No. 19977

MITIGATION MONITORING AND REPORTING PROGRAM FOR PIER 70 MIXED-USE DISTRICT PROJECT					
MEASURES ADOPTED AS CONDITIONS OF APPROVAL	Implementation Responsibility	Mitigation Schedule	Monitoring/Reporting Responsibility	Monitoring Schedule	Monitoring Agency
<p>• Other BMPs shall be implemented as necessary, such as using bubble curtains or an air barrier, to reduce underwater noise levels to acceptable levels.</p> <p>Alternatively, the project sponsors may consult with NOAA directly and submit evidence to their satisfaction of Port Staff of NOAA consultation. In such case, the project sponsors shall comply with NOAA recommendations and/or requirements.</p> <p>* U.S. Army Corps of Engineers, Programmatic Essential Fish Habitat (EFH) Assessment for the Long-Term Management Strategy for the Placement of Dredged Material in the San Francisco Bay Region. July 2009.</p> <p><b>Mitigation Measure M-B1-4: Compensation for Fill of Jurisdictional Waters</b></p> <p>To offset temporary and/or permanent impacts to jurisdictional waters of San Francisco Bay adjacent to the 28-Acre Site, construction associated with repair or replacement of the Reach II bulkhead shall be conducted as required by regulatory permits (i.e., those issued by the Corps, RWQCB, and BCDC) and in coordination with NMFS as appropriate. If required by regulatory permits, compensatory mitigation shall be provided as necessary, at a minimum ratio of 1:1 for fill beyond that required for normal repair and maintenance of existing structures. Compensation may include on-site or off-site shoreline improvements or intertidal/subtidal habitat enhancements along San Francisco's eastern waterfront through removal of chemically treated wood material (e.g., pilings, decking, etc.) by pulling, cutting, or breaking off piles at least 1 foot below mudline or removal of other unengineered debris (e.g., concrete-filled drums or large pieces of concrete).</p> <p>Improvements would be implemented in accordance with NMFS as appropriate. On-site or off-site restoration/enhancement plans, if required, must be prepared by a qualified biologist prior to construction and approved by the permitting agencies prior to beginning construction, repair, or</p>	<p>Project sponsors.</p> <p>In accordance with regulatory permits and coordination with NMFS, compensatory mitigation, if required, shall be provided at a minimum ratio of 1:1.</p>	<p>Prior to any construction at the Reach II bulkhead or in accordance with regulatory permits.</p>	<p>Project sponsors to comply with regulatory permits</p>	<p>Considered complete after issuance of regulatory permits for the fill of jurisdictional waters.</p>	<p>Port</p>

**MASTER LEASE EXHIBIT G**

File No. 2014-001272ENV  
 Pier 70 Mixed-Use District Project  
 Planning Commission Motion No. 19977

MITIGATION MONITORING AND REPORTING PROGRAM FOR PIER 70 MIXED-USE DISTRICT PROJECT					
MEASURES ADOPTED AS CONDITIONS OF APPROVAL	Implementation Responsibility	Mitigation Schedule	Monitoring/Reporting Responsibility	Monitoring Schedule	Monitoring Agency
<p>replacement of the Reach II bulkhead. Implementation of restoration/enhancement activities by the permittee shall occur prior to project impacts, whenever possible.</p> <p><b>Geology and Soils Mitigation Measures</b></p> <p><b>Mitigation Measure M-GE-3a: Reduction of Rock Fall Hazards</b></p> <p>The project sponsors shall prepare a site-specific geotechnical report(s), subject to review and approval by the Port, that evaluates the design and construction methods proposed for Parcels PKS, C-1, and C-2, the Irish Hill playground, and 21<sup>st</sup> Street. The investigations shall determine the potential for rock fall hazards. If the potential for rock fall hazards is identified, the site-specific geotechnical investigations shall identify measures to minimize such hazards to be implemented by the project sponsors. Possible measures to reduce the impacts of potential rock fall hazards include, but are not limited to, the following:</p> <ul style="list-style-type: none"> <li>• Limited regrading to adjust slopes to stable gradient;</li> <li>• Rock fall containment measures such as installation of drape nets, rock fall catchment fences, or diversion dams; and</li> <li>• Site design measures such as implementing setbacks to ensure that buildings and public uses are outside areas that could be subject to damage as a result of rock fall.</li> </ul>	Project sponsors.	Prior to the start of construction activities at Parcels PKS, C-1, C-2, the Irish Hill playground, and 21 <sup>st</sup> Street.	Project sponsors to submit geotechnical report(s) to the Port for review and approval.	Considered complete upon approval of geotechnical report(s) and any associated measures to minimize rock fall hazards.	Port
<p><b>Mitigation Measure M-GE-3b: Signage and Restricted Access to Pier 70</b></p> <p>Prior to issuance of the first certificate of occupancy under the Proposed Project, the project sponsors shall install a gate or an equivalent measure to prevent access to the existing dilapidated pier at the project site. A sign shall be posted at the potential access point informing the public of potential risks associated with use of the structure and prohibiting public access.</p>	Project sponsors to install signage and gate or equivalent measure to prevent access to the existing dilapidated pier.	Prior to issuance of the first Certificate of Occupancy.	Project sponsors to document installation of signage and gate or equivalent measure	Considered complete upon installation of the signage and gate or equivalent measure. The measure will be documented in the annual	Port

**MASTER LEASE EXHIBIT G**

File No. 2014-001272ENV  
 Pier 70 Mixed-Use District Project  
 Planning Commission Motion No. 19977

MITIGATION MONITORING AND REPORTING PROGRAM FOR PIER 70 MIXED-USE DISTRICT PROJECT					
MEASURES ADOPTED AS CONDITIONS OF APPROVAL	Implementation Responsibility	Mitigation Schedule	Monitoring/ Reporting Responsibility	Monitoring Schedule	Monitoring Agency
<p><b>Mitigation Measure M-GE-6: Paleontological Resources Monitoring and Mitigation Program</b></p> <p>Prior to issuance of a building permit for construction activities that would disturb sedimentary rocks of the Franciscan Complex (based on the site-specific geotechnical investigation or other available information), the project sponsors shall retain the services of a qualified paleontological consultant having expertise in California paleontology to design and implement a Paleontological Resources Monitoring and Mitigation Program (PRMMP). The PRMMP shall specify the timing and specific locations where construction monitoring would be required; emergency discovery procedures; sampling and data recovery procedures; procedures for the preparation, identification, analysis, and curation of fossil specimens and data recovered; preconstruction coordination procedures; and procedures for reporting the results of the monitoring program. The PRMMP shall be consistent with the Society for Vertebrate Paleontology (SVP) Standard Guidelines for the mitigation of construction-related adverse impacts to paleontological resources and the requirements of the designated repository for any fossils collected.</p> <p>During construction, earth-moving activities that have the potential to disturb previously undisturbed native sediment or sedimentary rocks shall be monitored by a qualified paleontological consultant having expertise in California paleontology. Monitoring need not be conducted for construction activities in areas where the ground has been previously disturbed or when construction activities would encounter artificial fill, Young Bay Mud, marsh deposits, or non-sedimentary rocks of the Franciscan Complex.</p> <p>If a paleontological resource is discovered, construction activities in an appropriate buffer around the discovery site shall be suspended for a maximum of 4 weeks. At the direction of the Environmental Review Officer</p>	<p>Project sponsors and qualified paleontological consultant.</p>	<p>Prior to issuance of a building permit where construction activities would disturb sedimentary rocks of the Franciscan complex. If earth-moving activities have the potential to disturb previously undisturbed native sediment, a qualified paleontological consultant would monitor the activities.</p>	<p>Qualified paleontological consultant to prepare a PRMMP for review and approval by the ERO. A single PRMMP or multiple PRMMPs may be produced to address project phasing. In compliance with the requirements of the PRMMP, a qualified paleontological consultant would monitor construction and provide a monitoring report for inclusion in the annual mitigation and monitoring report.</p>	<p>mitigation and monitoring report.                  Considered complete upon documentation to the satisfaction of that building permit construction activities would not disturb sedimentary rocks of the Franciscan Complex, or review and approval of the PRMMP, if required, by the Planning Department. Monitoring activities and compliance would be documented in the annual mitigation and monitoring report.</p>	<p>Port and Planning Department</p>

**MASTER LEASE EXHIBIT G**

File No. 2014-001272ENV  
 Pier 70 Mixed-Use District Project  
 Planning Commission Motion No. 19977

<b>MITIGATION MONITORING AND REPORTING PROGRAM FOR PIER 70 MIXED-USE DISTRICT PROJECT</b>					
<b>MEASURES ADOPTED AS CONDITIONS OF APPROVAL</b>	<b>Implementation Responsibility</b>	<b>Mitigation Schedule</b>	<b>Monitoring/Reporting Responsibility</b>	<b>Monitoring Schedule</b>	<b>Monitoring Agency</b>
<p>(ERO), the suspension of construction can be extended beyond 4 weeks if needed to implement appropriate measures in accordance with the PRMMP, but only if such a suspension is the only feasible means to prevent an adverse impact on the paleontological resource.</p> <p>The paleontological consultant's work shall be conducted at the direction of the City's ERO. Plans and reports prepared by the consultant shall be submitted first and directly to the ERO for review and comment, and shall be considered draft reports subject to revision until final approval by the ERO.</p> <p><b><i>Hydrology and Water Resources Mitigation Measures</i></b></p> <p><b>Mitigation Measure M-HY-2a: Design and Construction of Proposed Pump Station for Options 1 and 3</b></p> <p>The project sponsors shall design the new pump station proposed as part of the Proposed Project to achieve the following performance criteria.</p> <ul style="list-style-type: none"> <li>The dry-weather capacity of the new pump station and associated force main shall be sufficient to convey dry-weather wastewater flows within the 20<sup>th</sup> Street sub-basin, including flows from the existing baseline, the Proposed Project at full build-out, and cumulative project contributions; and</li> <li>The wet-weather capacity of the new pump station shall be sufficient to ensure that potential wet-weather combined sewer discharges from the 20<sup>th</sup> Street sub-basin and associated downstream basins do not exceed the long-term average of ten discharges per year specified in the SFPUC Bayside NPDES permit or applicable corresponding permit condition at time of final design. The capacity shall be based on the existing baseline, the Proposed Project at full build-out, and cumulative project contributions.</li> </ul> <p>The project sponsors shall coordinate with the SFPUC regarding the design and construction of the pump station. The final design shall be subject to</p>	Project sponsors.	Prior to construction of the proposed pump station for Options 1 and 3.	Project sponsors to coordinate with the SFPUC and Port regarding the proposed pump station design and performance criteria.	Considered complete upon approval of the final design by the SFPUC.	SFPUC

MASTER LEASE EXHIBIT G

File No. 2014-001272ENV  
 Pier 70 Mixed-Use District Project  
 Planning Commission Motion No. 19977

MITIGATION MONITORING AND REPORTING PROGRAM FOR PIER 70 MIXED-USE DISTRICT PROJECT					
MEASURES ADOPTED AS CONDITIONS OF APPROVAL	Implementation Responsibility	Mitigation Schedule	Monitoring/ Reporting Responsibility	Monitoring Schedule	Monitoring Agency
<p>approval by the SFPUC.</p> <p><b>Mitigation Measure M-HY-2b: Design and Construction of Proposed Pump Station for Option 2</b></p> <p>The project sponsors shall design the new pump station proposed as part of the Proposed Project to achieve the following performance criteria.</p> <ul style="list-style-type: none"> <li>The dry-weather capacity of the new pump station and associated force main shall be sufficient to convey dry-weather wastewater flows within the 20<sup>th</sup> Street sub-basin, including flows from the existing baseline, the Proposed Project at full build-out, and cumulative project contributions;</li> <li>During wet weather, wastewater flows from the project site shall bypass the wet-weather facilities and be conveyed to the combined sewer system in such a manner that they do not contribute to combined sewer discharges within the 20<sup>th</sup> Street sub-basin; and</li> <li>The wet-weather capacity of the new pump station shall be sufficient to ensure that potential wet-weather combined sewer discharges from the 20<sup>th</sup> Street sub-basin and associated downstream basins do not exceed the long-term average of ten discharges per year specified in the SFPUC Bayside NPDES permit or applicable corresponding permit condition at time of final design. The capacity shall be based on the existing baseline and cumulative project contributions.</li> </ul> <p>The project sponsors shall coordinate with the SFPUC regarding the design and construction of the pump station. The final design shall be subject to approval by the SFPUC.</p>	Project sponsors.	Prior to construction of the proposed pump station for Option 2.	Project sponsors to coordinate with the SFPUC and Port regarding the proposed pump station design and performance criteria.	Considered complete upon approval of the final design by the SFPUC.	SFPUC
<p><b>Hazards and Hazardous Materials Mitigation Measures</b></p> <p><b>Mitigation Measure M-HZ-2a: Conduct Transformer Survey and Remove PCB Transformers</b></p>	Project sponsors and qualified contractor.	Prior to the demolition, renovation, or	Qualified contractor to survey and determine the	Considered complete if no PCBs found or	Port

**MASTER LEASE EXHIBIT G**

File No. 2014-001272ENV  
 Pier 70 Mixed-Use District Project  
 Planning Commission Motion No. 19977

<b>MITIGATION MONITORING AND REPORTING PROGRAM FOR PIER 70 MIXED-USE DISTRICT PROJECT</b>					
<b>MEASURES ADOPTED AS CONDITIONS OF APPROVAL</b>	<b>Implementation Responsibility</b>	<b>Mitigation Schedule</b>	<b>Monitoring/ Reporting Responsibility</b>	<b>Monitoring Schedule</b>	<b>Monitoring Agency</b>
<p>The project sponsors shall retain a qualified contractor to survey any building and/or structure planned for demolition, renovation, or relocation to identify all electrical transformers in use and in storage. The contractor shall determine the PCB content using name plate information, or through sampling if name-plate data do not provide adequate information regarding the PCB content of the dielectric equipment. The project sponsors shall retain a qualified contractor to remove and dispose of all transformers in accordance with the requirements of Title 40 of the Code of Federal Regulations, Section 761.60 (described under the Regulatory Framework) and the Title 22 of the California Code of Regulations, Section 66261.24. The removal shall be completed in advance of any building or structural demolition, renovation, or relocation.</p>		<p>relocation of any building and/or structure.</p>	<p>PCB content of transformers in use and storage. If necessary, the contractor shall remove and dispose of transformers in accordance with applicable regulations.</p>	<p>upon appropriate disposal and removal of transformers. Mitigation activities would be documented in hazardous materials manifests and in the annual mitigation and monitoring report.</p>	
<p><b>Mitigation Measure M-HZ-2b: Conduct Sampling and Cleanup if Stained Building Materials Are Observed</b></p> <p>In the event that leakage is observed in the vicinity of a transformer containing greater than 50 parts per million PCB (determined in accordance with Mitigation Measure H-HZ-2a), or the leakage has resulted in visible staining of the building materials or surrounding surface areas, the project sponsors shall retain a qualified professional to obtain samples of the building materials for the analysis of PCBs in accordance with Part 761 of the Code of Federal Regulations. If PCBs are identified at a concentration of 1 part per million, then the project sponsors shall retain a contractor to clean the surface to a concentration of 1 part per million or less in accordance with Title 40 of the Code of Federal Regulations, Section 761.61(a). The sampling and cleaning shall be completed in advance of any building or structural demolition, renovation, or relocation.</p>	<p>Project sponsors and qualified contractor.</p>	<p>In the event that leakage is observed in the vicinity of a transformer containing greater than 50 parts per million PCB, or the leakage has resulted in visible staining of the building materials or surrounding surface areas. If determined necessary, sampling and</p>	<p>If leakage or spillage occurs, qualified contractor to obtain samples and clean the surface (if necessary) in accordance with applicable regulations.</p>	<p>Considered complete if no PCBs found or upon sampling and removal of PCBs in accordance applicable regulations. Mitigation activities would be documented in hazardous materials manifests and in the annual mitigation and monitoring report.</p>	<p>Port</p>

MASTER LEASE EXHIBIT G

File No. 2014-001272ENV  
 Pier 70 Mixed-Use District Project  
 Planning Commission Motion No. 19977

MITIGATION MONITORING AND REPORTING PROGRAM FOR PIER 70 MIXED-USE DISTRICT PROJECT					
MEASURES ADOPTED AS CONDITIONS OF APPROVAL	Implementation Responsibility	Mitigation Schedule	Monitoring/Reporting Responsibility	Monitoring Schedule	Monitoring Agency
<p><b>Mitigation Measure M-HZ-2c: Conduct Soil Sampling if Stained Soil is Observed</b></p> <p>In the event that leakage is observed in the vicinity of a PCB-containing transformer that has resulted in visible staining of the surrounding soil (determined in accordance with Mitigation Measure M-HZ-2a), the project sponsors shall retain a qualified professional to obtain soil samples for the analysis of PCBs in accordance with Part 761 of the Code of Federal Regulations. If PCBs are identified at a concentration less than the residential Environmental Screening Level of 0.22 milligrams per kilogram, then no further action shall be required. If PCBs are identified at a concentration greater than or equal to the residential Environmental Screening Level of 0.22 milligrams per kilogram, then the project sponsors shall require the contractor to implement the requirements of the Pier 70 RMP, as required by Mitigation Measure M-HZ-6. The sampling and implementation of the Pier 70 RMP requirements shall be completed in advance of any building or structural demolition, renovation, relocation, or subsequent development.</p>	<p>Project sponsors and qualified contractor.</p>	<p>cleaning shall be completed in advance of any building or structural demolition, renovation, or relocation.</p> <p>In the event that leakage is observed in the vicinity of a transformer, or the leakage has resulted in visible staining of soils. If determined necessary, sampling and removal shall be completed in advance of any building or structural demolition, renovation, or relocation.</p>	<p>If leakage or spillage occurs, qualified contractor to obtain samples and remove any PCBs (if necessary) in accordance with applicable regulations.</p>	<p>Considered complete if no PCBs found or upon sampling and removal of PCBs in accordance with applicable regulations. Mitigation activities would be documented hazardous materials manifestos and in the annual mitigation and monitoring report.</p>	<p>Port</p>
<p><b>Mitigation Measure M-HZ-3a: Implement Construction and Maintenance-Related Measures of the Pier 70 Risk Management Plan</b></p> <p>The project sponsors shall provide notice to the RWQCB, DPH, and Port in accordance with the Pier 70 RMP, in advance of ground-disturbing activities</p>	<p>Project sponsors and construction contractor(s).</p>	<p>Notice shall be provided to the RWQCB, DPH, and Port in accordance</p>	<p>All plans prepared in accordance with the Pier 70 RMP shall be submitted to the RWQCB,</p>	<p>Considered complete upon notice to the RWQCB, DPH, and Port.</p>	<p>Port</p>

**MASTER LEASE EXHIBIT G**

File No. 2014-001272ENV  
 Pier 70 Mixed-Use District Project  
 Planning Commission Motion No. 19977

MITIGATION MONITORING AND REPORTING PROGRAM FOR PIER 70 MIXED-USE DISTRICT PROJECT					
MEASURES ADOPTED AS CONDITIONS OF APPROVAL	Implementation Responsibility	Mitigation Schedule	Monitoring/ Reporting Responsibility	Monitoring Schedule	Monitoring Agency
<p>that would disturb an area of 1,250 square feet or more of native soil, 50 cubic yards or more of native soil, more than 0.5 acre of soil, or 10,000 square feet or more of durable cover (Pier 70 RMP Sections 4.1, 4.2, and 6.3).</p> <p>The project sponsors shall also (through their contractor) implement the following measures of the Pier 70 RMP during construction to provide for the protection of worker and public health, including nearby schools and other sensitive receptors, and to ensure appropriate disposition of soil and groundwater removed from the site:</p> <ul style="list-style-type: none"> <li>• A project-specific health and safety plan (Pier 70 RMP Section 6.4);</li> <li>• Access controls (Pier 70 RMP Section 6.1);</li> <li>• Soil management protocols, including those for:                             <ul style="list-style-type: none"> <li>○ soil movement (Pier 70 RMP Section 6.5.1),</li> <li>○ soil stockpile management (Pier 70 RMP Section 6.5.2), and</li> <li>○ import of clean soil (including preparation of a project-specific Soil Import Plan) (Pier 70 RMP Section 6.5.3);</li> </ul> </li> <li>• A dust control plan in accordance with the measures specified by the California Air Resources Board for control of naturally occurring asbestos (Title 17 of California Code of Regulations, Section 93105) and Article 22B of the San Francisco Health Code and other applicable regulations as well as site-specific measures (Pier 70 RMP Section 6.6);</li> <li>• A project-specific stormwater pollution prevention control plan (Pier 70 RMP Section 6.7);</li> <li>• Off-site soil disposal (Pier 70 RMP Section 6.8);</li> </ul>		with the Pier 70 RMP prior to any ground-disturbing activities that would disturb an area of 1,250 square feet or more of native soil, 50 cubic yards or more of native soil, more than 0.5 acre of soil, or 10,000 square feet or more of durable cover.	DPH, and Port for review and approval in accordance with the notification requirements of the RMP.		



MASTER LEASE EXHIBIT G

File No. 2014-001272ENV  
 Pier 70 Mixed-Use District Project  
 Planning Commission Motion No. 19977

MITIGATION MONITORING AND REPORTING PROGRAM FOR PIER 70 MIXED-USE DISTRICT PROJECT					
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<ul style="list-style-type: none"> <li>• A project-specific groundwater management plan for temporary dewatering (Pier 70 RMP Section 6.10.1);</li> <li>• Risk management measures to minimize the potential for new utilities to become conduits for the spread of groundwater contamination (Pier 70 RMP Section 6.10.2);</li> <li>• Appropriate design of underground pipelines to prevent the intrusion of groundwater or degradation of pipeline construction materials by chemicals in the soil or groundwater (Pier 70 RMP Section 6.10.3); and</li> <li>• Protocols for unforeseen conditions (Pier 70 RMP Section 6.9).</li> </ul> <p>Following completion of construction activities that disturb any durable cover, the integrity of the previously existing durable cover shall be re-established in accordance with Section 6.2 of the Pier 70 RMP and the protocols described in the Operations and Maintenance Plan of the Pier 70 RMP.</p> <p>All plans prepared in accordance with the Pier 70 RMP shall be submitted to the RWQCB, DPH, and/or Port for review and approval in accordance with the notification requirements of the RMP (Pier 70 RMP Section 4.0).</p>	Project sponsors	Prior to ground-disturbing activities.	Project sponsors to identify any monitoring wells in the area, and appropriately protect them. If destruction of a well is required, it would be conducted in accordance with	Monitoring complete if no wells or activities would be demonstrated in RWQCB and DPH regulatory applications and documented in the annual mitigation and	Port
<p><b>Mitigation Measure M-HZ-3b: Implement Well Protection Requirements of the Pier 70 Risk Management Plan</b></p> <p>In accordance with Section 6.11 of the Pier 70 RMP, the project sponsors shall review available information prior to any ground-disturbing activities to identify any monitoring wells within the construction area, including any wells installed by PG&amp;E in support of investigation and remediation of the PG&amp;E Responsibility Area within the 28-Acre Site. The wells shall be appropriately protected during construction. If construction necessitates destruction of an existing well, the destruction shall be conducted in accordance with California and DPH well abandonment regulations, and</p>	Project sponsors	Prior to ground-disturbing activities.	Project sponsors to identify any monitoring wells in the area, and appropriately protect them. If destruction of a well is required, it would be conducted in accordance with	Monitoring complete if no wells or activities would be demonstrated in RWQCB and DPH regulatory applications and documented in the annual mitigation and	Port

**MASTER LEASE EXHIBIT G**

File No. 2014-001272ENV  
 Pier 70 Mixed-Use District Project  
 Planning Commission Motion No. 19977

MITIGATION MONITORING AND REPORTING PROGRAM FOR PIER 70 MIXED-USE DISTRICT PROJECT					
MEASURES ADOPTED AS CONDITIONS OF APPROVAL	Implementation Responsibility	Mitigation Schedule	Monitoring/ Reporting Responsibility	Monitoring Schedule	Monitoring Agency
<p>must be approved by the RWQCB. The Port shall also be notified of the destruction. If required by the RWQCB, DPH, or the Port, the project sponsors shall reinstall any groundwater monitoring wells that are part of the ongoing groundwater monitoring network.</p>			<p>applicable regulations and the Port would be notified. If required by the RWQCB, DPH, or the Port, the project sponsors shall reinstall any groundwater monitoring wells that are part of the ongoing groundwater monitoring network.</p>	<p>monitoring report.</p>	
<p><b>Mitigation Measure M-HZ-4: Implement Construction-Related Measures of the Hoedown Yard Site Management Plan</b></p> <p>In accordance with the notification requirements of the Hoedown Yard SMP (Section 4.2), the project sponsors (through their contractor) shall notify the RWQCB, DPH, and/or Port prior to conducting any intrusive work at the Hoedown Yard. During construction, the contractor shall implement the following measures of the Hoedown Yard SMP to provide for the protection of worker and public health, and to ensure appropriate disposition of soil and groundwater.</p> <ul style="list-style-type: none"> <li>• A project-specific Health and Safety Plan (Hoedown Yard SMP Section 5):                             <ul style="list-style-type: none"> <li>○ Dust management measures in accordance with the measures specified by the California Air Resources Board for control of naturally occurring asbestos (Title 17 of California Code of Regulations, Section 93105) and Article 22B of the San Francisco Health Code. The specific measures must address</li> </ul> </li> </ul>	<p>Project sponsors</p>	<p>Prior to ground-disturbing activities at the Hoedown Yard.</p>	<p>The project sponsors shall notify the RWQCB, DPH, and/or Port prior to conducting any intrusive work at the Hoedown Yard.</p>	<p>Considered complete after notification to the RWQCB, DPH, and/or Port.</p>	<p>DPH</p>

MASTER LEASE EXHIBIT G

File No. 2014-001272ENV  
 Pier 70 Mixed-Use District Project  
 Planning Commission Motion No. 19977

MITIGATION MONITORING AND REPORTING PROGRAM FOR PIER 70 MIXED-USE DISTRICT PROJECT					
MEASURES ADOPTED AS CONDITIONS OF APPROVAL	Implementation Responsibility	Mitigation Schedule	Monitoring/ Reporting Responsibility	Monitoring Schedule	Monitoring Agency
<p>dust control (SMP Section 6.1) and dust monitoring (SMP Section 6.2).</p> <ul style="list-style-type: none"> <li>Soil and water management measures, including:                             <ul style="list-style-type: none"> <li>soil handling (Hoedown Yard SMP Section 7.1.1),</li> <li>stockpile management (Hoedown Yard SMP Section 7.1.2),</li> <li>on-site reuse of soil (Hoedown Yard SMP Section 7.1.3),</li> <li>off-site soil disposal (Hoedown Yard SMP Section 7.1.4),</li> <li>excavation dewatering (Hoedown Yard SMP Section 7.1.5),</li> <li>stormwater management (Hoedown Yard SMP Section 7.1.6),</li> <li>site access and security (Hoedown Yard SMP Section 7.1.7),</li> <li>and</li> <li>unanticipated subsurface conditions (Hoedown Yard SMP Section 7.2).</li> </ul> </li> </ul>	Project sponsors and PG&E.	Prior to the start of construction on proposed Parcels H1, H2, and E3.	PG&E to complete remedial activities in the PG&E Responsibility Area within and adjacent to Parcels H1, H2, and E3 to satisfaction of RWQCB.	Considered complete upon RWQCB confirmation of satisfaction with PG&E remedial action.	Port
<p><b>Mitigation Measure M-HZ-5: Delay Development on Proposed Parcels H1, H2, and E3 Until Remediation of the PG&amp;E Responsibility Area is Complete</b></p> <p>The project sponsors shall not start construction of the proposed development or associated infrastructure on proposed Parcel H1, H2, and E3 until PG&amp;E's remedial activities in the PG&amp;E Responsibility Area within and adjacent to these parcels have been completed to the satisfaction of the RWQCB, consistent with the terms of the remedial action plan prepared by PG&amp;E and approved by RWQCB. During subsequent development, the project sponsors shall implement the requirements of the Pier 70 RMP within the PG&amp;E Responsibility Area, as enforced through the recorded deed restriction on the Pier 70 Master Plan Area.</p>					

**MASTER LEASE EXHIBIT G**

File No. 2014-001272ENV  
 Pier 70 Mixed-Use District Project  
 Planning Commission Motion No. 19977

<b>MITIGATION MONITORING AND REPORTING PROGRAM FOR PIER 70 MIXED-USE DISTRICT PROJECT</b>					
<b>MEASURES ADOPTED AS CONDITIONS OF APPROVAL</b>	<b>Implementation Responsibility</b>	<b>Mitigation Schedule</b>	<b>Monitoring/Reporting Responsibility</b>	<b>Monitoring Schedule</b>	<b>Monitoring Agency</b>
<p><b>Mitigation Measure M-HZ-6: Additional Risk Evaluations and Vapor Control Measures for Residential Land Uses</b></p> <p>The notification submittals required under Mitigation Measure M-HZ-3a shall describe site conditions at the time of development. If residential land uses are proposed at or near locations where soil vapor or groundwater concentrations exceed residential cleanup standards for vapor intrusion (based on information provided in the Pier 70 RMP), this information shall be included in the notification submittal and the RWQCB and DPH determine whether a risk evaluation is required. If required, the project sponsors or future developer(s) shall conduct a risk evaluation in accordance with the Pier 70 RMP. The risk evaluation shall be based on the soil vapor and groundwater quality presented in the Pier 70 RMP and the proposed building design. The project sponsors shall conduct additional soil vapor or groundwater sampling as needed to support the risk evaluation, subject to the approval of the RWQCB and DPH.</p> <p>If the risk evaluation demonstrates that there would be unacceptable health risks to residential users (i.e., greater than <math>1 \times 10^{-6}</math> incremental cancer risk or a non-cancer hazard index greater than 1), the project sponsors shall incorporate measures into the building design to minimize or eliminate exposure to soil vapor through the vapor intrusion pathway, subject to review and approval by the RWQCB and DPH. Appropriate vapor intrusion measures include, but are not limited to design of a safe building configuration that would preclude vapor intrusion; installation of a vapor barrier; and/or design and installation of an active vapor monitoring and extraction system.</p> <p>If the risk evaluation demonstrates that vapor intrusion risks would be within acceptable levels (less than <math>1 \times 10^{-6}</math> incremental cancer risk or a non-cancer hazard index less than 1) under a project-specific development scenario, no additional action shall be required. (For instance, the project sponsors could locate all residential uses above the first floor which, in some cases, could eliminate the potential for residential exposure to organic compounds in soil</p>	Project sponsors	Prior to ground-disturbing activities of residential land uses if near locations where soil vapor or groundwater concentrations exceed residential cleanup standard for vapor intrusion.	Site conditions shall be recorded by the project sponsors and included in the notification submittal to the RWQCB and DPH. If required, the project sponsors shall conduct a risk evaluation in accordance with the Pier 70 RMP and incorporate measures to minimize or eliminate exposure to soil vapor.	Considered complete upon a notification submittal to the RWQCB and DPH. If a risk evaluation and further measures are required, they would be reviewed and approved by the RWQCB and DPH.	Port

MASTER LEASE EXHIBIT G

File No. 2014-001272ENV  
 Pier 70 Mixed-Use District Project  
 Planning Commission Motion No. 19977

MITIGATION MONITORING AND REPORTING PROGRAM FOR PIER 70 MIXED-USE DISTRICT PROJECT					
MEASURES ADOPTED AS CONDITIONS OF APPROVAL	Implementation Responsibility	Mitigation Schedule	Monitoring/Reporting Responsibility	Monitoring Schedule	Monitoring Agency
<p>vapors.)</p> <p><b>Mitigation Measure M-HZ-7: Modify Hoedown Yard Site Mitigation Plan</b></p> <p>The project sponsors shall conduct a risk evaluation to evaluate health risks to future site occupants, visitors, and maintenance workers under the proposed land use within the Hoedown Yard. The risk evaluation shall be based on the soil, soil vapor, and groundwater quality data provided in the existing SMP and supporting documents and the project sponsors shall conduct additional sampling as needed to support the risk evaluation.</p> <p>Based on the results of the risk evaluation, the project sponsors shall modify the Hoedown Yard SMP to include measures to minimize or eliminate exposure pathways to chemicals in the soil and groundwater, and achieve health-based goals (i.e., an excess cancer risk of <math>1 \times 10^{-6}</math> and a Hazard Index of 1) applicable to each land use proposed for development within the Hoedown Yard. At a minimum, the modified SMP shall include the following components:</p> <ul style="list-style-type: none"> <li>• Regulatory-approved cleanup levels for the proposed land uses;</li> <li>• A description of existing conditions, including a comparison of site data to regulatory-approved cleanup levels;</li> <li>• Regulatory oversight responsibilities and notification requirements;</li> <li>• Post-development risk management measures, including management measures for the maintenance of engineering controls (e.g., durable covers, vapor mitigation systems) and site maintenance activities that could encounter contaminated soil;</li> <li>• Monitoring and reporting requirements; and</li> <li>• An operations and maintenance plan, including annual inspection requirements.</li> </ul>	<p>Project sponsors shall conduct a risk evaluation, and shall modify the Hoedown Yard SMP to include measures to minimize or eliminate exposure pathways to chemicals in the soil and groundwater, and achieve health-based goals applicable to each land use proposed for development within the Hoedown Yard.</p>	<p>Prior to ground-disturbing activities at the Hoedown Yard.</p>	<p>Project sponsors shall submit the risk evaluation and proposed risk management plan to the RWQCB, DPH, and Port for review and approval.</p>	<p>Considered complete upon review and approval of the risk evaluation and proposed risk management plan by the RWQCB, DPH, and Port.</p>	<p>Port, DPH</p>

**MASTER LEASE EXHIBIT G**

File No. 2014-001272ENV  
 Pier 70 Mixed-Use District Project  
 Planning Commission Motion No. 19977

<b>MITIGATION MONITORING AND REPORTING PROGRAM FOR PIER 70 MIXED-USE DISTRICT PROJECT</b>					
<b>MEASURES ADOPTED AS CONDITIONS OF APPROVAL</b>	<b>Implementation Responsibility</b>	<b>Mitigation Schedule</b>	<b>Monitoring/Reporting Responsibility</b>	<b>Monitoring Schedule</b>	<b>Monitoring Agency</b>
<p>The risk evaluation and proposed risk management plan shall be submitted to the RWQCB, DPH, and Port for review and approval prior to the start of ground disturbance.</p> <p><b>Mitigation Measure M-HZ-8a: Prevent Contact with Serpentine Bedrock and Fill Materials in Irish Hill Playground</b></p> <p>The project sponsors shall ensure that a minimum 2-foot thick durable cover of asbestos-free clean imported fill with a vegetated cover is employed above serpentine bedrock and fill materials in the level portions of Irish Hill Playground. The fill shall meet the soil criteria for clean fill specified in Table 4 of the Pier 70 RMP and included in Appendix F, Hazards and Hazardous Materials, of this EIR. Barriers shall be constructed to preclude direct climbing on the bedrock of the Irish Hill remnant. The design of the durable cover and barriers shall be submitted to the DPH and Port for review and approval prior to construction of the Irish Hill Playground.</p>	<p>Project sponsors to design and install a 2-foot-thick durable cover over serpentine bedrock and fill in the level portions of the Irish Hill Playground and barriers to preclude direct climbing on the bedrock of the Irish Hill remnant.</p>	<p>Submittal of durable cover and barriers to DPH and Port prior to construction of the Irish Hill Playground.</p>	<p>Project sponsors shall submit design of durable covers and barriers to DPH, Port</p>	<p>Considered complete upon review and approval of the design and installation of the 2-foot-thick durable cover and barriers by the DPH and Port.</p>	<p>Port, DPH</p>
<p><b>Mitigation Measure M-HZ-8b: Restrictions on the Use of Irish Hill Playground</b></p> <p>To the extent feasible, the project sponsors shall ensure that the Irish Hill Playground is not operational until ground disturbing activities for construction of the new 21<sup>st</sup> Street and on the adjacent parcels (PKN, PKS, HDY-1, HDY-2, C1, and C2) is completed. If this is not feasible, and Irish Hill Playground is operational prior to construction of the new 21<sup>st</sup> Street and construction on all adjacent parcels, the playground shall be closed for use when ground-disturbing activities are occurring for the construction of the new 21<sup>st</sup> Street and on any of the adjacent parcels.</p>	<p>Project sponsors.</p>	<p>Prior to and during construction of the new 21<sup>st</sup> Street and on Parcels PKN, PKS, HDY-1, HDY-2, C1, and C2.</p>	<p>Project sponsors shall ensure the playground is not operational until ground-disturbing activities at the new 21<sup>st</sup> Street and on Parcels PKN, PKS, HDY-1, HDY-2, C1, and C2 are complete; or playground shall be closed for use when ground-disturbing activities are occurring</p>	<p>Considered complete when the aforementioned ground-disturbing activities are finished. Documentation would occur in the annual mitigation and monitoring report.</p>	<p>Port</p>

MASTER LEASE EXHIBIT G

File No. 2014-001272ENV  
 Pier 70 Mixed-Use District Project  
 Planning Commission Motion No. 19977

MITIGATION MONITORING AND REPORTING PROGRAM FOR PIER 70 MIXED-USE DISTRICT PROJECT					
MEASURES ADOPTED AS CONDITIONS OF APPROVAL	Implementation Responsibility	Mitigation Schedule	Monitoring/Reporting Responsibility	Monitoring Schedule	Monitoring Agency
<b>IMPROVEMENT MEASURES FOR THE PIER 70 MIXED-USED DISTRICT PROJECT</b>					
<p><b>Improvement Measure I-CR-4a: Documentation</b></p> <p>Before any demolition, rehabilitation, or relocation activities within the UIW Historic District, the project sponsors should retain a professional who meets the Secretary of the Interior's Professional Qualifications Standards for Architectural History to prepare written and photographic documentation of all contributing buildings proposed for demolition within the UIW Historic District. The documentation for the property should be prepared based on the National Park Service's Historic American Building Survey (HABS)/Historic American Engineering Record (HAER) Historical Report Guidelines. This type of documentation is based on a combination of both HABS/HAER standards and National Park Service's policy for photographic documentation, as outlined in the NRHP and National Historic Landmarks Survey Photo Policy Expansion.</p> <p>The written historical data for this documentation should follow HABS/HAER standards. The written data should be accompanied by a sketch plan of the property. Efforts should also be made to locate original construction drawings or plans of the property during the period of significance. If located, these drawings should be photographed, reproduced, and included in the dataset. If construction drawings or plans cannot be located, as-built drawings should be produced.</p> <p>Either HABS/HAER-standard large format or digital photography should be used. If digital photography is used, the ink and paper combinations for printing photographs must be in compliance with NR-NHL Photo Policy Expansion and have a permanency rating of approximately 115 years. Digital photographs should be taken as uncompressed, TIFF file format. The size of each image should be 1,600 by 1,200 pixels at 330 pixels per inch or larger, color format, and printed in black and white. The file name for each electronic image should correspond with the index of photographs and photograph label. Photograph views for the dataset should include (a)</p>	<p>Project sponsors and qualified preservation architect, historic preservation expert, or other qualified individual.</p>	<p>Project Sponsor Documentation                      : Before any demolition, rehabilitation, or relocation activities within the UIW Historic District.</p>	<p>Project sponsors and qualified preservation architect, historic preservation expert, or other qualified individual to complete historic resources documentation, and transmit such documentation to the History Room of the San Francisco Public Library, and to the Northwest Information Center of the California Historical Information Resource System.</p>	<p>Considered complete when documentation is reviewed and approved by Port Preservation Staff, and the documentation is provided to the San Francisco Public Library, and to the Northwest Information Center of the California Historical Information Resource System.</p>	<p>Port</p>

**MASTER LEASE EXHIBIT G**

File No. 2014-001272ENV  
 Pier 70 Mixed-Use District Project  
 Planning Commission Motion No. 19977

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<p>contextual views; (b) views of each side of each building and interior views, where possible; (c) oblique views of buildings; and (d) detail views of character-defining features, including features on the interiors of some buildings. All views should be referenced on a photographic key. This photographic key should be on a map of the property and should show the photograph number with an arrow to indicate the direction of the view. Historic photographs should also be collected, reproduced, and included in the dataset.</p> <p>The project sponsors should transmit such documentation to the History Room of the San Francisco Public Library, and to the Northwest Information Center of the California Historical Information Resource System. The project sponsors should scope the documentation measures with Port Preservation staff.</p>					
<p><b>Improvement Measure I-CR-4b: Public Interpretation</b>                      Following any demolition, rehabilitation, or relocation activities within the project site, the project sponsors should provide within publicly accessible areas of the project site a permanent display(s) of interpretive materials concerning the history and architectural features of the District's three historical eras (Nineteenth Century, Early Twentieth Century, and World War II), including World War II-era Slipways 5 through 8 and associated Remnant, including, for example, the original 70- to 100-foot tall Irish Hill landform and neighborhood of lodging, houses, restaurants, and saloons that occupied the once much larger hill until the earlier twentieth century. The content of the interpretive display(s) should be coordinated and consistent with the statewide interpretive plan prepared for the 28-Acre Site in coordination with the Port. The specific location, media, and other characteristics of such interpretive display(s) should be presented to Port preservation staff for approval prior to any demolition or removal activities.</p>	<p>Project sponsors should provide a permanent display(s) of interpretive materials concerning the history and architectural features of the District within publicly accessible areas of the project site.</p>	<p><u>Project sponsors provide permanent display:</u>                      Following any demolition, rehabilitation, or relocation activities within the project site.</p>	<p>Project sponsors submit documentation of permanent display(s) of interpretive materials</p>	<p>Considered complete when interpretive materials are presented to Port preservation staff for approval. The materials would then be presented in the publicly accessible area of the project site.</p>	<p>Port</p>
<p><b>Improvement Measure I-TR-A: Construction Management Plan</b>                      Traffic Control Plan for Construction – To reduce potential conflicts between</p>	<p>Project sponsors, TMA, and</p>	<p>Prior to issuance of a</p>	<p>Construction contractor(s) to</p>	<p>Considered complete upon</p>	<p>Port, Planning Department,</p>



**MASTER LEASE EXHIBIT G**

File No. 2014-001272ENV  
 Pier 70 Mixed-Use District Project  
 Planning Commission Motion No. 19977

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<p>construction activities and pedestrians, bicyclists, transit, and autos during construction activities, the project sponsors should require construction contractor(s) to prepare a traffic control plan for major phases of construction (e.g., demolition and grading, construction, or renovation of individual buildings). The project sponsors and their construction contractor(s) will meet with relevant City agencies to coordinate feasible measures to reduce traffic congestion, including temporary transit stop relocations and other measures to reduce potential traffic and transit disruption and pedestrian circulation effects during major phases of construction. For any work within the public right-of-way, the contractor would be required to comply with San Francisco's Regulations for Working in San Francisco Streets (i.e., the "Blue Book"), which establish rules and permit requirements so that construction activities can be done safely and with the least possible interference with pedestrians, bicyclists, transit, and vehicular traffic. Additionally, non-construction-related truck movements and deliveries should be restricted as feasible during peak hours (generally 7:00 a.m. to 9:00 a.m. and 4:00 p.m. to 6:00 p.m., or other times, as determined by SFMTA and the Transportation Advisory Staff Committee [TASC]).</p> <p>In the event that the construction timeframes of the major phases and other development projects adjacent to the project site overlap, the project sponsors should coordinate with City Agencies through the TASC and the adjacent developers to minimize the severity of any disruption to adjacent land uses and transportation facilities from overlapping construction transportation impacts. The project sponsors, in conjunction with the adjacent developer(s), should propose a construction traffic control plan that includes measures to reduce potential construction traffic conflicts, such as coordinated material drop offs, collective worker parking, and transit to job site and other measures.</p> <p>Reduce Single Occupant Vehicle Mode Share for Construction Workers – To minimize parking demand and vehicle trips associated with construction workers, the project sponsors should require the construction contractor to include in the Traffic Control Plan for Construction methods to encourage</p>	<p>construction contractor(s).</p>	<p>building permit. Project construction updates for adjacent residents and businesses would occur throughout the construction phase.</p>	<p>prepare a Traffic Control Plan and meet with relevant City agencies (i.e., SFMTA, Port Staff, and Planning Department) to coordinate feasible measures to reduce traffic congestion. A single traffic control plan or multiple traffic control plans may be produced to address project phasing.</p>	<p>submission of the Traffic Control Plan to the SFMTA and the Port. Project construction update materials would be provided in the annual mitigation and monitoring plan.</p>	<p>SFMTA as appropriate</p>

**MASTER LEASE EXHIBIT G**

File No. 2014-001272ENV  
 Pier 70 Mixed-Use District Project  
 Planning Commission Motion No. 19977

MITIGATION MONITORING AND REPORTING PROGRAM FOR PIER 70 MIXED-USE DISTRICT PROJECT					
MEASURES ADOPTED AS CONDITIONS OF APPROVAL	Implementation Responsibility	Mitigation Schedule	Monitoring/ Reporting Responsibility	Monitoring Schedule	Monitoring Agency
<p>walking, bicycling, carpooling, and transit access to the project construction sites and to minimize parking in public rights-of-way by construction workers in the coordinated plan.</p> <p><u>Project Construction Updates for Adjacent Residents and Businesses</u> – To minimize construction impacts on access for nearby residences, institutions, and businesses, the project sponsors should provide nearby residences and adjacent businesses with regularly-updated information regarding construction, including construction activities, peak construction vehicle activities (e.g., concrete pours), travel lane closures, and lane closures via a newsletter and/or website.</p>					
<p><b>Improvement Measure I-TR-B: Queue Abatement</b></p> <p>It should be the responsibility of the owner/operator of any off-street parking facility with more than 20 parking spaces (excluding loading and car-share spaces) to ensure that vehicle queues do not occur regularly on the public right-of-way. A vehicle queue is defined as one or more vehicles (destined to the parking facility) blocking any portion of any public street, alley, or sidewalk for a consecutive period of 3 minutes or longer on a daily or weekly basis.</p> <p>If a recurring queue occurs, the owner/operator of the parking facility should employ abatement methods as needed to abate the queue. Appropriate abatement methods will vary depending on the characteristics and causes of the recurring queue, as well as the characteristics of the parking facility, the street(s) to which the facility connects, and the associated land uses (if applicable).</p> <p>Suggested abatement methods include but are not limited to the following: redesign of facility to improve vehicle circulation and/or on-site queue capacity; employment of parking attendants; installation of LOT FULL signs with active management by parking attendants; use of valet parking or other space-efficient parking techniques; use of off-site parking facilities or shared parking with nearby uses; use of parking occupancy sensors and signage</p>	<p>Project sponsors, owner/operator of any off-street parking facility, and transportation consultant.</p>	<p>On-going during operations of any off-street parking facilities.</p>	<p>The owner/operator of the parking facility should monitor vehicle queues in the public right-of-way, and would employ abatement measures as needed. If the Port Director, or his or her designee, suspects that a recurring queue is present, the Port should notify the property owner in writing. The owner/operator should hire a transportation consultant to</p>	<p>Monitoring of the public right-of-way would be on-going by the owner/operator of off-street parking operations.</p>	<p>Port, Planning Department</p>

**MASTER LEASE EXHIBIT G**

File No. 2014-001272ENV  
 Pier 70 Mixed-Use District Project  
 Planning Commission Motion No. 19977

MITIGATION MONITORING AND REPORTING PROGRAM FOR PIER 70 MIXED-USE DISTRICT PROJECT					
MEASURES ADOPTED AS CONDITIONS OF APPROVAL	Implementation Responsibility	Mitigation Schedule	Monitoring/Reporting Responsibility	Monitoring Schedule	Monitoring Agency
<p>directing drivers to available spaces; TDM strategies such as additional bicycle parking, customer shuttles, delivery services; and/or parking demand management strategies such as parking time limits, paid parking, time-of-day parking surcharge, or validated parking.</p> <p>If the Port Director, or his or her designee, suspects that a recurring queue is present, Port Staff should notify the property owner in writing. Upon request, the owner/operator should hire a qualified transportation consultant to evaluate the conditions at the site for no less than 7 days. The consultant should prepare a monitoring report to be submitted to the Port for review. If the Port determines that a recurring queue does exist, the facility owner/operator should have 90 days from the date of the written determination to abate the queue.</p>			<p>prepare a monitoring report and if a recurring queue does exist, the owner/operator would abate the queue.</p>		
<p><b>Improvement Measure I-TR-C: Strategies to Enhance Transportation Conditions During Events.</b></p> <p>The project's Transportation Coordinator should participate as a member of the Mission Bay Ballpark Transportation Coordination Committee (MBBTCC) and provide at least 1-month notification to the MBBTCC where feasible prior to the start of any then known event that would overlap with an event at AT&amp;T Park. The City and the project sponsors should meet to discuss transportation and scheduling logistics for occasions with multiple events in the area.</p>	<p>Project sponsors, TMA, parks maintenance entity, parks programming entity, and/or Transportation Coordinator.</p>	<p>Prior to the start of any known event that would overlap with an event at AT&amp;T Park.</p>	<p>Project sponsors and Transportation Coordinator to meet with MBBTCC and City to discuss transportation and scheduling logistics for occasions with multiple events in the area.</p>	<p>Include in MMRP Annual Report; On-going during project lifespan.</p>	<p>Port, Planning Department, SFMTA</p>
<p><b>Improvement Measure I-WS-3a: Wind Reduction for Public Open Spaces and Pedestrian and Bicycle Areas</b></p> <p>For each development phase, a qualified wind consultant should prepare a wind impact and mitigation analysis regarding the proposed design of public open spaces and the surrounding proposed buildings. Feasible means should be considered to improve wind comfort conditions for each public open space, particularly for any public seating areas. These feasible means include horizontal and vertical, partially-porous wind screens (including canopies,</p>	<p>Project sponsors and qualified wind consultant.</p>	<p>During the design of public open spaces and pedestrian and bicycle areas for each development phase.</p>	<p>Qualified wind consultant would prepare a wind impact and mitigation analysis to be reviewed by the Port Staff.</p>	<p>Considered complete upon review of the wind impact and mitigation analysis for public open spaces and pedestrian and</p>	<p>Port or Planning Department</p>

**MASTER LEASE EXHIBIT G**

File No. 2014-001272ENV  
 Pier 70 Mixed-Use District Project  
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MITIGATION MONITORING AND REPORTING PROGRAM FOR PIER 70 MIXED-USE DISTRICT PROJECT					
MEASURES ADOPTED AS CONDITIONS OF APPROVAL	Implementation Responsibility	Mitigation Schedule	Monitoring/Reporting Responsibility	Monitoring Schedule	Monitoring Agency
<p>trellises, umbrellas, and walls), street furniture, landscaping, and trees. Specifies for particular public open spaces are set forth in Improvement Measures I-WS-3b to I-WS-3f.</p> <p>Any proposed wind-related improvement measure should be consistent with the design standards and guidelines outlined in the <i>Pier 70 SUD Design for Development</i>.</p> <p><b>Improvement Measure I-WS-3b: Wind Reduction for Waterfront Promenade and Waterfront Terrace</b></p> <p>The Waterfront Promenade and Waterfront Terrace would be subject to winds exceeding the pedestrian wind comfort criteria. A qualified wind consultant should prepare written recommendations of feasible means to improve wind comfort conditions in this open space, emphasizing vertical elements, such as wind screens and landscaping. Where necessary and appropriate, wind screens should be strategically placed directly around seating areas. For maximum benefit, wind screens should be at least 6 feet high and made of approximately 20 to 30 percent porous material. Design of any wind screen or landscaping shall be compatible with the Historic District.</p>	Project sponsors and qualified wind consultant.	During the design of the Waterfront Promenade and Waterfront Terrace.	Qualified wind consultant would prepare a wind impact and mitigation analysis to be reviewed by Port Staff.	bicycle areas by the Port Staff.	Port
<p><b>Improvement Measure I-WS-3c: Wind Reduction for Slipways Commons</b></p> <p>The central and western portions of Slipways Commons would be subject to winds exceeding the pedestrian wind comfort criteria. Street trees should be considered along Maryland Street, particularly on the east side of Maryland Street between Buildings E1 and E2. Vertical elements such as wind screens would help for areas where street trees are not feasible. Where necessary and appropriate, wind screens should be strategically placed to the west of any seating areas. For maximum benefit, wind screens should be at least 6 feet high and made of approximately 20 to 30 percent porous material. Design of</p>	Project sponsors and qualified wind consultant.	During the design of the Slipway Commons.	Qualified wind consultant would prepare a wind impact and mitigation analysis to be reviewed by Port Staff.	Considered complete upon review of the wind impact and mitigation analysis for the Slipway Commons by Port Staff.	Port

**MASTER LEASE EXHIBIT G**

File No. 2014-001272ENV  
 Pier 70 Mixed-Use District Project  
 Planning Commission Motion No. 19977

MITIGATION MONITORING AND REPORTING PROGRAM FOR PIER 70 MIXED-USE DISTRICT PROJECT					
MEASURES ADOPTED AS CONDITIONS OF APPROVAL	Implementation Responsibility	Mitigation Schedule	Monitoring/ Reporting Responsibility	Monitoring Schedule	Monitoring Agency
any wind screen or landscaping shall be compatible with the Historic District.					
<p><b>Improvement Measure I-WS-3d: Wind Reduction for Building 12 Market Plaza and Market Square</b></p> <p>Building 12 Market Plaza and Market Square would be subject to winds exceeding the pedestrian wind comfort criteria. For reducing wind speeds in the public courtyard between Buildings 2 and 12, the inner south and west façades of Building D-1 could be stepped by at least 12 feet to direct downwashing winds above pedestrian level. Alternatively, overhead protection should be used, such as a 12-foot-deep canopy along the inside south and west façades of Building D-1, or localized trellises or umbrellas over seating areas. For reducing wind speeds on the eastern and southern sides of Building 12, street trees should be considered, along Maryland and 22<sup>nd</sup> streets. Smaller underplantings should be combined with street trees to reduce winds at pedestrian level. Design of any wind screen or landscaping shall be compatible with the Historic District.</p>	Project sponsors and qualified wind consultant.	During the design of the Building 12 Market Plaza and Market Square.	Qualified wind consultant would prepare a wind impact and mitigation analysis to be reviewed by Port Staff.	Considered complete upon review of the wind impact and mitigation analysis for the Building 12 Market Plaza and Market Square by Port Staff.	Port

**MASTER LEASE EXHIBIT G**

File No. 2014-001272ENV  
 Pier 70 Mixed-Use District Project  
 Planning Commission Motion No. 19977

MITIGATION MONITORING AND REPORTING PROGRAM FOR PIER 70 MIXED-USE DISTRICT PROJECT					
MEASURES ADOPTED AS CONDITIONS OF APPROVAL	Implementation Responsibility	Mitigation Schedule	Monitoring/Reporting Responsibility	Monitoring Schedule	Monitoring Agency
<p><b>Improvement Measure I-WS-3e: Wind Reduction for Irish Hill Playground</b></p> <p>The Irish Hill Playground would be subject to winds exceeding the pedestrian wind comfort criteria. For maximum benefit, wind screens should be at least 6 feet high and made of approximately 20 to 30 percent porous material. Design of any wind screen or landscaping shall be compatible with the Historic District.</p>	Project sponsors and qualified wind consultant.	During the design of the Irish Hill Playground.	Qualified wind consultant would prepare a wind impact and mitigation analysis to be reviewed by Port Staff.	Considered complete upon review of the wind impact and mitigation analysis for the Irish Hill Playground by Port Staff.	Port
<p><b>Improvement Measure I-WS-3f: Wind Reduction for 20<sup>th</sup> Street Plaza</b></p> <p>The 20<sup>th</sup> Street Plaza would be subject to winds exceeding the pedestrian wind comfort criteria. A qualified wind consultant should prepare written recommendations of feasible means to improve wind comfort conditions in this open space, emphasizing hardscape elements, such as wind screens, canopies, and umbrellas. Where necessary and appropriate, wind screens should be strategically placed to the northwest of any seating area. For maximum benefit, wind screens should be at least 6 feet high and made of approximately 20 to 30 percent porous material. If there would be seating areas directly adjacent to the north façade of the PKN Building, localized canopies or umbrellas should be used. Design of any wind screen or landscaping shall be compatible with the Historic District.</p>	Project sponsors and qualified wind consultant.	During the design of the 20 <sup>th</sup> Street Plaza.	Qualified wind consultant would prepare a wind impact and mitigation analysis to be reviewed by Port Staff.	Considered complete upon review of the wind impact and mitigation analysis for the 20 <sup>th</sup> Street Plaza by Port Staff.	Port

**MASTER LEASE EXHIBIT H  
PROCEDURES FOR SPECIAL EVENTS**

Tenant shall be permitted to hold Special Events on the Premises as a Permitted Use hereunder in accordance with the following procedures:

**1. WHEN PORT DIRECTOR APPROVAL REQUIRED.**

Special Events having a cumulative anticipated attendance of 5,000 or more visitors shall require approval by the Port's Executive Director upon at least sixty (60) days' advance written notice (or such lesser period of time if determined appropriate under the circumstances by the Executive Director), which approval shall not be unreasonably withheld or delayed. All other Special Events shall not require separate approval under this Lease from the Port's Executive Director, subject to compliance with these Special Event procedures.

**2. NUMBER OF EVENTS; EVENT TIERS; RECURRING EVENTS.**

2.1 *Number of Events.* Tenant shall be permitted to hold no more than twenty (20) Special Events per calendar year.

2.2 *Tiers of Events.*

(a) A Tier 1 Event means a Special Event having a duration of two weeks or more, an anticipated cumulative attendance of 2,000 or more visitors, or both;

(b) A Tier 2 Event means a Special Event having a duration of less than two weeks, an anticipated cumulative attendance of less than 2,000 visitors, or both; and

(c) A Tier 3 Event means a small-scale, short-term and community-oriented event that requires minimal set-up and permitting.

2.3 *Recurring Special Events.* Tenant may, from time to time, propose recurring Special Events (such as a weekly farmers market), in which case, the applicable "special event permit" issued by the Port (and any special conditions required by Port to address the recurring nature of the Special Event) will apply to each recurrence of the same Special Event with the same requirements, activities and parameters, without a requirement for Tenant to obtain a new Special Event permit for each occurrence of that particular recurring Special Event. To the extent approved by Port, each recurring Special Event approved under a single "special event permit" will count as a single Special Event for purposes of Section 2.1.

**3. EVENT MANAGER.**

Tenant shall designate a single event manager to act as its Agent with respect to Special Events under this Lease ("**Event Manager**").

**4. PRELIMINARY APPROVAL FROM PORT FIRE MARSHAL; BUILDING FIRE ALARM REQUIREMENTS.**

4.1 *Preliminary Fire Marshal Approval.* Prior to entering into any contract or agreement with any entity or entities sponsoring and or participating in a proposed Special Event, a copy of which is to be submitted to Port pursuant to *Section 5.2*, Event Manager shall

meet with the Port Fire Marshal or his designee to review preliminary plans for proposed Special Event and receive preliminary approval from Port Fire Marshal or his designee to proceed.

4.2 **Building Fire Alarm Requirements.** Prior to holding a Special Event in any structure existing on the Premises as of the Effective Date of the Master Lease, Tenant shall, at its sole cost and expense, install a voice evacuation fire alarm system. Tenant shall also, at its sole cost and expense, ensure the Fire Alarm System is maintained, certified, monitored and fully operational.

## 5. NOTICE; SUBMITTAL REQUIREMENTS.

5.1 **Notice Requirements.** Event Manager shall provide advance notice to Port of its intention to use all or any portion of the Premises for a Special Event as soon as reasonably possible, but in no event later than the following dates (or such lesser period of time if determined appropriate under the circumstances by the Executive Director) Event Manager shall meet with Port and submit the information required pursuant to **Section 5.2**:

- (i) Tier 1: ninety (90) days prior to the proposed start date;
- (ii) Tier 2: sixty (60) days prior to the start date;
- (iii) Tier 3: thirty (30) days prior to the start date.

5.2 **Submittal Requirements.** As soon as reasonably possible, and no later than the timeframes specified in **Section 5.1**, Event Manager shall submit to the Port the following information:

- (i) a complete Port of San Francisco Special Event Application;
- (ii) the names of the entity or entities sponsoring and or participating in the Special Event, including any Subtenant or Agent of Tenant and a copy of the relevant contract(s);
- (iii) the location of the Special Event within the Premises (with maps as appropriate);
- (iv) duration of the Special Event, including days of load in and load out;
- (v) hours of the Special Event for guest attendance and estimated guest attendance;
- (vi) configuration for services and amenities including recycling, compost, restrooms,
- (vii) pedestrian and vehicle ingress and egress and paths of travel;
- (viii) proposed signage;
- (ix) proposed entertainment (if any);
- (x) a list of required Regulatory Approvals;
- (xi) certificates of insurance, in compliance with Section 10 hereof; and
- (xii) any other information reasonably requested by Port.

## 6. REGULATORY APPROVALS.

(a) Events Manager will obtain, at its sole cost and expense, all regulatory approvals necessary for Special Events, including without limitation, any Port building and encroachment



permits necessary for the conduct of Special Events on the Premises (“Regulatory Approvals”). Event Manager is solely responsible for submitting sufficient and timely documentation and plans to obtain any required Regulatory Approvals and Event Manager agrees to work directly with responsible code officials to obtain such approvals.

(b) The parties acknowledge that some or all of the following Regulatory Approvals may be necessary for Special Events:

- i) Building Permit from the Port, the requirements of which are attached hereto as *Exhibit H-1*;
- ii) Place of Assembly Permit, Fire Permit and Fire Watch from the San Francisco Fire Department (“SFFD”);
- iii) Security Plan approved by San Francisco Police Department (“SFPD”);
- iv) Traffic Plan approved by SFPD;
- v) Emergency Medical Service Plan approved by the Department of Public Health (“DPH”) and SFFD;
- vi) Alcoholic Beverage Control License from the California Alcohol Beverage Commission;
- vii) Food Service Permit from DPH;
- viii) Amplified Noise or Place of Entertainment Permit from the Entertainment Commission;
- ix) ISCOTT (Interdepartmental staff Committee on Transit and Traffic) for anticipated street closure or street events; and
- x) Any other permit or approval deemed necessary by the Port of San Francisco and/or any City Agency.

(c) Event Manager will be solely responsible for obtaining any necessary clearances or permissions for the use of intellectual property, including, but not limited to musical or other performance rights in connection with Special Events.

## 7. COMPLIANCE REVIEW.

7.1 *Initial Compliance Review.* Event Manager, shall certify, in writing in a form acceptable to Port, that it (or the appropriate entity under contract with Tenant or the Event Manager) (i) has submitted complete permit applications and paid all required fees to all required Regulatory Agencies and (ii) has submitted a written request seeking Port Executive Director’s approval of the Special Event or aspects thereof where such approval is required under this Lease by the following dates (or such lesser period of time if determined appropriate under the circumstances by the Executive Director):

- (i) Tier 1: at least thirty (30) days prior to the proposed start date;
- (ii) Tier 2: at least twenty-two (22) days prior to the start date;
- (iii) Tier 3: at least ten (10) days prior to the start date.

7.2 **Final Compliance Review.** Event Manager shall obtain a final compliance review from the Port's property manager for each Special Event at least ten (10) days prior to the start date of the Special Event by submitting evidence acceptable to Port in its reasonable discretion that Tenant (or the Event Manager) has caused to be obtained all Regulatory Approvals required for the Special Event and has certified in writing that (i) no other Regulatory Approvals are required to the best of Tenant's (or Event Manager's Manager or Subtenant) knowledge after due inquiry.

## 8. ADDITIONAL CITY SERVICES.

With respect to any Special Event requiring Executive Director approval under *Section 1* above, Event Manager and Port will negotiate in good faith with each other and with any affected City departments to determine whether additional street environmental services (litter pick-up, street sweeping) would be reasonably required in connection with such Special Event, and the incremental costs of providing such services. As part of the consideration under this Lease, Tenant shall either (i) pay the actual and reasonable incremental cost of providing street environmental services with respect to such Special Event, in an amount agreed to in advance by Tenant and the Executive Director, or if no agreement is reached, as reasonably determined by the Executive Director; or (ii) subject to the Port's approval in its sole discretion, arrange for some or all of the requested street environmental services itself in lieu of paying for that portion of services. "Incremental costs" does not include costs already covered by Regulatory Approvals issued by Port or other City departments including without limitation, permitting and other regulatory fees paid by Event Manager to comply with any condition of a Regulatory Approval.

## 9. PORT AND CITY POLICIES.

9.1 **Good Neighbor/Zero Waste.** All Special Events must comply with the applicable provisions of the Good Neighbor Policy attached hereto as *Exhibit H-2* and the Port's Zero Waste Events and Activities Policy attached hereto as *Exhibit H-3*.

9.2 **Prevailing Wages.** All Special Events must comply with the SF Administrative Code Requirements for Special Events Workers attached hereto as *Exhibit H-4*.

9.3 **Water Bottle Ordinance.** Tenant is subject to all applicable provisions of Environment Code Chapter 24 which are hereby incorporated. Accordingly, the sale or distribution of drinking water in plastic bottles with a capacity of twenty-one (21) fluid ounces or less is prohibited at any Special Event with an attendance of more than 100 persons. A violation of this provision is subject to administrative fines as set forth in SF Environment Code Chapter 24.

## 10. ADDITIONAL INSURANCE REQUIREMENTS.

In addition to the insurance requirements in Article 20 of this Lease, Tenant will provide, or cause to be provided, the following as applicable:

(i) Host Liquor Liability Insurance in the amount of Two Million Dollars (\$2,000,000.00) for any events where liquor, including beer and wine, is being served.

(ii) Liquor Liability Insurance in the amount of Five Million Dollars (\$5,000,000.00) for any events where the primary intent is the selling or serving of alcoholic beverage including but not limited to beer festivals and wine tastings.

(iii) Garage Keepers Liability Insurance in the amount of One Million Dollars (\$1,000,000) for any special event involving parking and/or valet operations.

(iv) Participant, Volunteer (if any) and Attendee Insurance in the amount of Two Million Dollars (\$2,000,000.00) - comprehensive or commercial general liability insurance to include coverage for participants, volunteers (if any) and attendees and the certificate of insurance must so reference or Tenant must provide a separate policy satisfactory to the Port which provides equivalent coverage.

Notwithstanding the foregoing, Tenant shall have the right, upon the prior approval of Port, not to be unreasonably withheld, to substitute insurance coverage required herein with insurance coverage maintained by one or more of Tenant's agents, vendors, contractors or subcontractors as long as the insurance policies, certificates and endorsements for such insurance coverage comply in all respects with the requirements of Section 20.2 of the Master Lease.

#### **11. CONSEQUENCES OF DEFAULT.**

If Tenant, or Event Manager, fails to comply with the requirements herein more than two times in any given twelve (12) month period, Port may, in its sole and absolute discretion, revoke the permission provided under this Lease to hold Special Events on the Premises, including permission for ongoing or pending Special Events previously approved by the Port.

***Exhibit H-1***

***Building Permit Requirements:***

1. Application – Submittal of an application with two (2) sets of plans is required for construction and erection of temporary buildings or structures. Plans must include Engineer signed and stamped drawings/documents. Additionally, Engineer shall provide a signed written statement with seal stating the design is in conformance with all pertinent California Building Codes.

2. On Site Inspection and Observation/Completion Letter – A Civil/Structural Engineer licensed to practice in the State of California shall be on site to perform a visual observation of the structural system to ensure that the work was performed in general conformance with the approved construction documents. The same Civil/Structural Engineer shall provide a stamped written statement with a seal that a site visit has been made and that, to the best of the Engineer's knowledge, the structural system was built in general conformance with the approved construction documents, and that deficiencies, if any, have been resolved.

3. Final Inspection – Prior to occupancy, an inspection is required by a Port Building Inspector. The signed Observation/Completion Letter with seal shall be provided to the Port Building Inspector.



## SAN FRANCISCO ENTERTAINMENT COMMISSION Good Neighbor Policy

### GOOD NEIGHBOR POLICIES FOR NIGHTTIME ENTERTAINMENT ACTIVITIES.

Where nighttime entertainment activities, as defined by this permit are conducted, there shall be procedures in place that are reasonable calculated to insure that the quiet, safety and cleanliness of the premises and vicinity are maintained. Such conditions shall include, but not limited to, the following:

- 1** Notices shall be well-lit and prominently displayed at all entrances to and exits from the establishment urging patrons to leave the establishment and neighborhood in a quiet, peaceful and orderly fashion and to please not litter or block driveways in the neighborhood.
- 2** Employees of the establishment shall be posted at all entrances and exits to the establishment during the period from 10:00 pm to such time past closing that all patrons have left the premises. These employees shall insure that patrons waiting to enter the establishment and those exiting the premises are urged to respect the quiet and cleanliness of the neighborhood as they walk to their parked vehicle or otherwise leave the area.
- 3** Employees of the establishment shall walk a 100-foot radius from the premises some time between 30 minutes after closing time and 8:00 am the following morning, and shall pick up and dispose of any discarded beverage containers and other trash left by area nighttime entertainment patrons.
- 4** Sufficient toilet facilities shall be made accessible to patrons within the premises, and toilet facilities shall be made accessible to prospective patrons who may be lined up waiting to enter the establishment.
- 5** The establishment shall provide outside lighting in a manner that would illuminate outside street and sidewalk areas and adjacent parking, as appropriate.
- 6** The establishment shall provide adequate parking for patrons that would encourage use of parking by establishment patrons. Adequate signage shall be well-lit and prominently displayed

to advertise the availability and location of such parking resources for establishment patrons.

- 7** The establishment shall provide adequate ventilation within the structures such that doors and/or windows are not left open for such purposes resulting in noise emission from the premises.
- 8** There shall be no noise audible outside the establishment during the daytime or nighttime hours that violates the San Francisco Municipal Code Section 49 or 2900 et. seq. Further, absolutely no sound from the establishment shall be audible inside any surrounding residences or businesses that violates San Francisco Police code section 2900.
- 9** The establishment shall implement other conditions and/or management practices necessary to insure that management and/or patrons of the establishments maintain the quiet, safety and cleanliness of the premises and the vicinity of the use, and do not block driveways of neighboring residents or businesses.
- 10** Permit holder shall take all reasonable measures to insure the sidewalks adjacent to the premises are not blocked or unnecessarily affected by patrons or employees due to the operations of the premises and shall provide security whenever patrons gather outdoors.
- 11** Permit holder shall provide a cell phone number to all interested neighbors that will be answered at all times by a manager or other responsible person who has the authority to adjust volume and respond to other complaints whenever entertainment is provided.
- 12** Permit holder agrees to be responsible for all operation under which the permit is granted including but not limited to a security plan as required.
- 13** In addition, a manager or other responsible person shall answer a cell phone for at least two hours after the close of business to allow for police and emergency personnel or other City personnel to contact that person concerning incidents.

### *Exhibit H-3*

## **PORT OF SAN FRANCISCO ZERO WASTE EVENTS AND ACTIVITIES POLICY**

**February 2012**

The Port of San Francisco is proud to host numerous events on Port property each year. These include fundraising walks and runs, "tailgate parties" at athletic events, Christmas tree sales, 4th of July Celebration, Oktoberfest, Fleet Week, and the proposed 34<sup>th</sup> America's Cup events (subject to pending environmental review). Some events can generate public participation of 5,000 or more people during the period of the event. Large outdoor events of this size typically generate a variety of plastic wastes from the sale of water in single-use bottles, the use of non-compostable plastic food ware, and the distribution of plastic bags to customers for food, merchandise and souvenirs. Along the Port's facilities, the inherent challenges of waste management at a large event are compounded by a windy environment and proximity to the San Francisco Bay.

### *Plastics*

Several plastic waste items have significant environmental impacts. Single use plastic bags are difficult to recycle and can contaminate existing recycling and composting streams. These products are easily scattered by the wind and can create significant litter problems on shore and in water. Single-use plastic water bottles are resource intensive to produce, fill and transport, and contribute to waste management challenges at events. Non-food product plastic packaging is also difficult to recycle, may create a significant litter problem and harm the marine environment. The National Oceanic and Atmospheric Administration (NOAA) has recognized burst latex and Mylar balloons as a commonly reported source of marine debris. Balloons drift onto the surface of water and mimic the appearance of jellyfish and other floating organisms that are a natural food source for turtles, fish, dolphins, and shorebirds.

Plastic wastes are of increasing concern in marine environments and are a focus of volunteer and non-profit clean-up activities along the waterfront and bay shoreline. Plastics from litter, stormwater and maritime sources enter the marine environment where they degrade into microscopic bits and damage the ecology of our oceans. They can entangle wildlife and disrupt their internal organs and, when digested by marine life plastics can function as a pathway of exposure to several pollutants such as polychlorinated biphenyls (PCBs), dichlorodiphenyltrichloroethane (DDTs) and polycyclic aromatic hydrocarbons (PAHs). These pollutants can bio-accumulate and bio-magnify in the food chain, eventually making their way into human food sources. There are five ocean gyres, or large bodies of water that contain massive accumulations of degraded plastics around the globe.

### *Food-Related Wastes and Packaging*

Large events produce large volumes of food-related wastes and packaging. San Francisco Special Events Ordinance No. 73-89 requires any applicant seeking permission for the temporary use or occupancy of a public street, a street fair or an athletic event within the City and County that includes the dispensing of beverages or which generates large amounts of other materials to submit a recycling plan to the department issuing the permit for the event or activity. Recycling plans shall include arrangements for collection and disposition of source separated recyclables and/or compostables by a service provider of the event organizer. San Francisco offers one of the most successful and comprehensive large municipal food scrap collection programs in the nation.

Events at the Port of San Francisco attract tourists who may be less familiar with the City's recycling and composting programs than residents and local business owners. In the experience of the Department of the Environment, the best way to manage food waste streams at large events is to require the use of either compostable or durable, reusable food service ware.

Exclusive use of compostable food service ware facilitates source separation and the diversion of organic materials from landfill, mitigates contamination in the City's recycling programs, and streamlines composting and related waste diversion activities during large events. A wide variety of compostable food service ware and bags are available in the marketplace. These are made from renewable resources such as paper, corn starch and sugarcane.

### *Reusable Water Bottles and Refilling Stations*

The City's water delivery system consistently provides among the purest, safest drinking water in the nation from spring snowmelt stored in the Hetch Hetchy Reservoir and flowing down the Tuolumne River. Re-usable water bottles are easy to refill and use of Hetch Hetchy water guarantees a high quality of water for the public. Durable or compostable service ware can be combined with water filling stations to further reduce the need for single-use plastic packaging.

The Port Commission adopts the following measures to address the concerns outlined above and to 1) ensure that food waste streams from large outdoor events 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 events.

1. The provisions of this Policy are mandatory for all events or activities ("Events") on Port property that the Port expects will attract 5,000 or more people aggregated over the number of days the event is held. Examples of these Events include but are not limited to: exhibitions or presentations of sporting events, tournaments, concerts, musical and theatrical performances and other forms of live entertainment, public ceremonies, fairs, carnivals, markets, shows, fundraising events, races or other public or private exhibitions and activities related thereto. This Policy shall apply to all persons or entities organizing, sponsoring or hosting an Event, including all vendors, subcontractors and agents ("Event Organizers") for

an Event. Event Organizers of Events with an expected attendance of less than 5,000 people are strongly encouraged to comply with this Policy.

2. The sale, use and distribution of single-use plastic water bottles are prohibited. 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.
3. The sale, use and distribution of single-use disposable plastic bags are prohibited. 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.
4. The sale, use and distribution of single-use non-compostable plastic food ware are prohibited. 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.
5. All compostable plastic food service ware must meet ASTM D-6400 standards for compostable plastics, have BPI certification ([www.BPIworld.org](http://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.
6. The intentional release of balloons on Port property in connection with an Event subject to this Policy is prohibited.
7. Event Organizers are encouraged to minimize packaging and avoid the use of disposable plastic packaging.
8. 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.
9. For Events that the Port expects will attract 5,000 or more people in the aggregate, all licenses, leases, or other real property agreements with Event Organizers entered into after the date of adoption of this Policy by the Port Commission ("the adoption date"), and all amendments to licenses, leases, or other real property agreements with Event Organizers made beginning in 2012 shall require the Event Organizer to comply with this Policy. Such Event Organizer's failure to comply with this Policy shall be deemed a material breach of the agreement and the Port may



pursue remedies, including liquidated damages and termination of the agreement.

10. The Port Commission may grant a waiver of any of the provisions of this Policy, in its sole discretion, if the provision that is waived is replaced by an action that (i) protects the Port's and Bay's natural habitat, (ii) is compliant with law, and (iii) is in keeping with the environmental spirit of the Port's goals herein.

This Policy for Zero Waste Events and Activities shall apply to all events on Port property with a total expected attendance of 5,000 or more people aggregated over the number of days the event is held. This Policy for Zero Waste Events and Activities also serves as non-mandatory goals for events with an expected attendance of less than 5,000 people.

*Exhibit H-4*

SF Administrative Code Requirements for Special Events Workers

**SEC. 21C.8. PREVAILING RATE OF WAGES REQUIRED FOR TRADE SHOW AND SPECIAL EVENT WORK.**

(a) **Prevailing Wage Requirement.** Every Contract, Lease, Franchise, Permit, or Agreement awarded, let, issued, or granted by the City for the use of property owned by the City must require that any Individual engaged in Exhibit, Display, or Trade Show Work at a Special Event be paid not less than the Prevailing Rate of Wages, including fringe benefits or the matching equivalents thereof, paid in private employment for similar work in the area in which the Contract, Lease, Franchise, Permit or Agreement is being performed. All Contracts, Leases, Franchises, Permits or Agreements subject to this Section 21C.8 shall include a provision in which the Contractor agrees to comply with, and to require Subcontractors to comply with, the obligations imposed by this Section.

(b) **Definitions.** For purposes of this Section 21C.8, the following definitions shall apply:

"City" shall mean the City and County of San Francisco.

"Contract, Lease, Franchise, Permit, or Agreement" shall mean an agreement with the City for the use of property owned by the City, but shall not include any contract, lease, franchise, permit, or agreement for:

A. Celebration of a marriage, domestic partnership, or similar civil union;

B. The presentation of a Special Event to which the public has free access when the Special Event is in a public park, on a public street, or on property under the jurisdiction of the Port Commission, and the advertising and promotion for the Special Event is less than \$10,000;

C. Any permit or agreement to engage in film production pursuant to Chapter 57 of this Code or under the circumstances set forth in Section 57.7 of this Code;

D. In any circumstance where application of this Section 21C.8 would be preempted by federal or state law;

E. Any Special Event for which the time required for the set-up is three hours or less and the number of individuals working on the set-up is no more than two.

F. Any Special Event where the Special Event itself takes five hours or less.

G. Any Special Event that requires the payment of prevailing wage rates applicable to public works projects.

H. A street fair organized by and for which a permit has been issued to a nonprofit entity, where the street fair is free and open to the public and does not have as a primary purpose the advertising or promotion of a product or service.

"Convention" shall mean an organized association of persons with a common interest, including but not limited to a professional, commercial, political, social, cultural, vocational, recreational, or fraternal interest, who meet in a hotel, convention center, or other building to discuss or act on matters affecting their common interest or to participate in activities related to their common interest. Attendees at a "Convention" come mainly from places other than San Francisco.

"Exhibit, Display, or Trade Show Work" shall mean the on-site installation, set-up, assembly, and dismantling of temporary exhibits, displays, booths, modular systems, signage, drapery, specialty furniture, floor coverings, or decorative materials in connection with or related to a Special Event.

"Exposition" shall mean a large-scale public exhibition with a primary though not necessarily exclusive purpose of promoting one or more products, services, or businesses.

"On-site" shall mean the site of the Special Event, which may occur in enclosed space or open space or both. If the primary site of the Special Event is enclosed space, "On-site" shall include open space within 150 feet of the enclosed space that is the primary site of the Special Event. "On-site" shall also include public rights of way, including but not limited to a street or sidewalk, as to which a City permit, including but not limited to an ISCOTT (Interdepartmental Staff Committee on Traffic and Transportation) permit, has been issued in connection with the Special Event.

"Prevailing Rate of Wages" shall mean that rate of compensation as determined in Section 21C.7.

"Special Event" shall mean any Trade Show, Convention, Exposition, or other Temporary Event with the characteristics of a Trade Show, Convention, or Exposition, that involves Exhibit, Display, or Trade Show Work.

"Temporary Event" shall mean an event lasting no more than six months.

"Trade Show" shall mean a gathering in which one or more businesses or association of businesses in one or more industries or professions show their products or services to possible customers or patrons. A "Trade Show" may include but is not limited to a gathering in which there are exhibits, displays, or demonstrations of specific products or services or that highlight all or part of an industry or profession.

(c) **Preemption.** Nothing in this Section 21C.8 shall be interpreted or applied so as to create any power or duty in conflict with any federal or State law.

(d) **Operative Date and Application.**

(1) This Section 21C.8 shall become operative upon the initial setting of a Prevailing Rate of Wages for Exhibit, Display, or Trade Show Work by the Board of Supervisors. This initial Prevailing Rate of Wages shall be set in accordance with the process established in Section 21C.7(c)(1), except the Civil Service Commission shall submit to the Board of Supervisors data as to the Prevailing Rate of Wages no later than the first week in August 2014. Thereafter, the Commission shall submit data as to the Prevailing Rate of Wages for Exhibit, Display, or Trade Show Work on or before the first Monday in November each year, including 2014, in accordance with Section 21C.7(c)(1).

(2) This Section 21C.8 is intended to have prospective effect only, and shall not be interpreted to impair the obligations of any pre-existing Contract, Lease, Franchise, Permit, or Agreement issued or entered into by the City. This Section shall only apply to Contracts, Leases, Franchises, Permits, or Agreements entered into on or after the operative date of this Section.

(e) **Severability.** If any provision or provisions of this Section 21C.8 or any application thereof is held invalid, such invalidity shall not affect any other provisions or applications of the Section.

(Added by Ord. 90-14, File No. 140383, App. 6/19/2014, Eff. 7/19/2014)

**MASTER LEASE EXHIBIT I**

**WORKFORCE DEVELOPMENT PLAN**

**(Pier 70 28-Acre Site)**

**TABLE OF CONTENTS**

	<u>Page</u>
<b>A. DEFINITIONS.....</b>	<b>3</b>
<b>B. WORKFORCE JOB READINESS AND TRAINING FUNDS. ....</b>	<b>6</b>
1. Application.....	6
2. CityBuild Program.....	6
3. CityBuild Services .....	7
4. TechSF Bridge Training for BVHP/Dogpatch Communities & Targeted End Use Jobs.....	7
<b>C. CONSTRUCTION WORK .....</b>	<b>9</b>
1. Application.....	9
2. Local Hiring Requirements.....	9
3. First Source Hiring Program for Construction Work .....	9
4. Local Business Enterprise Requirements.....	9
5. Obligations; Limitations on Liability.....	9
6. Prevailing Wages. ....	9
<b>D. PROJECT OPERATIONS.....</b>	<b>10</b>
1. Application.....	10
2. First Source Hiring Program for Operations.....	10
3. Local Diverse Small Business Retail Marketing Program. ....	11
<b>E. GENERAL PROVISIONS .....</b>	<b>14</b>
1. Enforcement.....	14
2. Third Party Beneficiaries .....	14
3. Flexibility.....	14
4. Exclusivity .....	15
<b>F. DISPUTE RESOLUTION.....</b>	<b>15</b>

1. Meet and Confer .....15  
2. Arbitration.....15

Attachment A-1 First Source Hiring Agreement for Operations  
Attachment A-2 First Source Hiring Agreement for Tech Operations  
Attachment A-3 First Source Hiring Agreement for Construction  
Attachment B Local Hiring Requirements  
Attachment C LBE Utilization Plan  
Attachment D Dispute Resolution

## **PIER 70 28-ACRE SITE WORKFORCE DEVELOPMENT PLAN**

**I. Project Background.** The development plan for the 28-Acre Site under the Transaction Documents provides for the development of a new mixed-use neighborhood composed of office, retail, market rate and affordable residential uses, as well as entirely new infrastructure, utilities, parks and open space. This Workforce Development Plan sets forth the activities Developer and Vertical Developer shall undertake, and require their Construction Contractors, Consultants, Subcontractors, Subconsultants, and Commercial Tenants, as applicable, to undertake, to support workforce development in both the construction and end use phases of the 28-Acre Site Project, as set forth in this Workforce Development Plan.

The Port and Developer have entered into the DDA that provides for the development of the 28-Acre Site Project in a series of Phases. In connection with the DDA, the Port and the Developer will enter into a Master Lease providing Developer the right to construct Horizontal Improvements within the 28-Acre Site Project after Port approval of Phase Submittals and issuance of necessary Regulatory Approvals. Developer will enter into contracts with Contractors and Consultants to construct all Horizontal Improvements allowed under the Master Lease.

The DDA also sets forth a process for the conveyance of Option Parcels by Parcel Leases to Vertical Developers. When a Vertical Developer is selected, the Port and the Vertical Developer will enter into a Vertical DDA that provides the procedures for the Port's delivery of a Parcel Lease to the Vertical Developer and sets forth the rights and obligations for the Vertical Developer's construction of Vertical Improvements and Deferred Infrastructure. Vertical Developers will enter into contracts with Construction Contractors and Consultants to construct the Vertical Improvements allowed in the Vertical DDAs. Upon completion of the Vertical Improvements, the applicable Parcel Lease, between the Port and the Vertical Developer, shall govern the operation and use of the Vertical Improvements.

**II. Purpose of the Workforce Development Plan.** This Workforce Development Plan sets forth the employment and contracting requirements for the construction and operation of the 28-Acre Site Project. This Workforce Development Plan has been jointly prepared by the Port and Developer (on behalf of itself and each Vertical Developer), in consultation with others including OEWD and other relevant City Agencies.

The purpose of this Workforce Development Plan is to ensure training, employment and economic development opportunities are part of the development and operation of the 28-Acre Site Project. This Workforce Development Plan creates a mechanism to provide employment and economic development opportunities for economically disadvantaged persons and San Francisco residents. The Port and Developer agree that job creation and equal opportunity contracting opportunities in all areas of employment are an essential part of the redevelopment of Pier 70. The Port and Developer agree that it is in the best interests of the 28-Acre Site Project and the City for a portion of the jobs and contracting opportunities to be directed, to the extent possible based on the type of work required, and subject to collective bargaining agreements, to local, small and economically disadvantaged companies and individuals whenever there is a qualified candidate.

This Workforce Development Plan identifies goals for achieving this objective and outlines certain measures that will be undertaken in order to help ensure that these goals and objectives are successfully met. In recognition of the unique circumstances and requirements surrounding the 28-Acre Site Project, the Port, OEWD and Developer have agreed that this Workforce Development Plan will constitute the exclusive workforce requirements for the 28-Acre Site Project.

This Workforce Development Plan requires:

- Developer or Vertical Developers to fund certain OEWD job readiness and training programs run by CityBuild and TechSF.
- Developer or Vertical Developer shall include in all leases, subleases or other occupancy contracts provisions that require all Permanent Employers that occupy more than 25,000 gsf to enter into a First Source Hiring Agreement (in the forms attached hereto as Attachment A-1 and Attachment A-2) that will require participation in the City's Workforce System towards the hiring goals of Chapter 83 hiring goals applicable to Covered Operations for First Source referrals and, where applicable, partnership with TechSF. Developer shall also include in such leases, subleases or other occupancy contracts provisions that require Lessees and service providers to identify a single point of contact and contact OEWD's Business Services team to discuss its obligations under the First Source Hiring Agreement.
- On an annual basis, Developer shall provide First Source program and contact information to Permanent Employers that occupy less than 25,000 gsf, so they may avail themselves of referral services offered by OEWD.
- Developer and Vertical Developers of projects that are not otherwise covered by local hire requirements to enter into a First Source Hiring Agreement for Construction (in the form of Attachment A-3 attached hereto).
- Developer and Vertical Developers to meet the hiring and apprenticeship goals applicable to certain construction work for Local Residents and Disadvantaged Workers for Covered Projects as set forth in Attachment B (Local Hiring Requirements).
- Developer and Vertical Developers to meet the utilization and outreach goals applicable to certain construction work for Local Business Enterprises in accordance with the requirements set forth in Attachment C (LBE Utilization Plan).
- Developer to meet the outreach goals applicable to the initial leasing of retail space suitable for use by local diverse small businesses.



The foregoing summary is provided for convenience and for informational purposes only. In case of any conflict between this Workforce Development Plan and the *DDA*, the provisions of this Workforce Development Plan shall control.

### **III. Workforce Development Plan.**

#### **A. DEFINITIONS**

The following terms specific to this Workforce Development Plan have the meanings given to them below or are defined where indicated. Other initially capitalized terms are defined in the **Appendix Part B** or in other Transaction Documents. This Workforce Development Plan and all Workforce-Development Plan-specific definitions will prevail over any other Transaction Document in relation to the rights and obligations of Developer's and Vertical Developers with respect to workforce development. All references to the DDA or Vertical DDA, as applicable, include this Workforce Development Plan unless explicitly stated otherwise.<sup>1</sup>

**"Chapter 83"** is defined in Section III.D.2 hereof.

**"Commercial Activity"** means retail sales and services, restaurant, hotel, education and office uses, technology and biotechnology business, and any other non-profit or for-profit commercial uses permitted under the SUD that are conducted within a Vertical Improvement.

**"Commercial Lease"** is defined in Section III.D.2 hereof.

**"Commercial Tenant"** means a tenant, subtenant or other occupant that enters into a lease, sublease or other occupancy contract for a Covered Operation.

**"Construction Contractor"** means a construction contractor hired by or on behalf of Developer or a Vertical Developer who performs Construction Work on the 28-Acre Site or other construction work otherwise covered under the LBE Utilization Plan or First Source Hiring Agreement for Construction (in the form of Attachment A-3 attached hereto).

**"Construction Work"** means, as applicable, (a) the initial construction of all Horizontal Improvements required or permitted to be made to the 28-Acre Site to be carried out by Developer under the DDA, (b) the initial construction of all Vertical Improvements to be carried out by a Vertical Developer under a Vertical DDA, and (c) initial tenant improvement work for all Vertical Improvements other than light industrial, arts activities or standalone affordable buildings. For the avoidance of doubt, Construction Work for Vertical Improvements shall not include any repairs, maintenance, renovations or other construction work performed after issuance of the first certificate of occupancy for a Vertical Improvement.

**"Construction Workforce Requirements"** is defined in Section III.C.1 hereof.

**"Consultant"** is defined in Attachment C attached hereto.

**“Covered Operations”** means (i) Commercial Activity which results in the expansion of entry and apprentice level positions that are located within a newly constructed Vertical Improvement or an addition, or alteration thereto, where the Vertical Improvement (or addition or alteration thereto) contains more than 25,000 gross square feet in floor area, and (ii) the operation of a Residential Project containing more than 25,000 square feet or more than 10 Residential Units. Covered Operations do not include (a) any operations or activities conducted by tenants, subtenants or owners of Residential Units, (b) Residential Projects containing less than 25,000 square feet or fewer than 10 dwelling units, (c) Vertical Improvements containing less than 25,000 square feet and (d) activities or operations conducted by tenants, subtenants and other occupants of less than 25,000 gross square feet of sublease space within a Vertical Improvement.

**“Disadvantaged Worker(s)”** is defined in Attachment B attached hereto.

**“Final, Binding and Non-Appealable”** means 90-days after the subject approval, or if a third party files an action challenging the approval during such 90-day period, thirty days after the final judgment or other resolution of the action or issue.

**“FSHA”** means the City’s First Source Hiring Administration.

**“FSHA Operations Agreement”** means a First Source Hiring Agreement for Business, Commercial, Operation and Lease Occupancy of the Building, for Permanent Employers or for Permanent Tech Employers, as more particularly described in Section III.D.2. hereof.

**“Internship”** shall mean a learning and career preparation method that occurs within the context of a course or program. Internships include career exploration and direct experience and include guidance by staff, mentors, employers, and peers. An intern obtains a good understanding of the requirements of the occupation and an overview of all aspects of their chosen industry, and develops college and career readiness and success skills, such as critical thinking, problem-solving, collaboration and communication.

**“Job Readiness and Training Funds”** is defined in Section III.B.1 hereof.

**“Lessee”** shall mean a Tenant, business operator and any other occupant of a commercial office building. Lessee shall include every person, tenant, subtenant, or any other entity occupying the building for the intent of doing business in the City and County of San Francisco and possessing a Business Registration Certificate with the Office of Treasurer.

**“Local Business Enterprise(s)”** or **“LBE”** means a firm that has been certified as an LBE as set forth in Administrative Code Chapter 14B (Local Business Enterprise Utilization and Non-Discrimination in Contracting Ordinance).

**“Local Resident(s)”** is defined on Attachment C attached hereto.

**“NEDO”** is a neighborhood economic development organization.

**“OEWD”** means the City’s Office of Economic & Workforce Development.

“**Operations Workforce Requirements**” is defined in Section D.1 hereof.

“**Permanent Employer**” shall mean each employer in a Covered Operation.

“**Permanent Tech Employer**” shall mean a Permanent Employer that both (i) employs primarily Technology Occupations and Technology-Enabled Occupations, and (ii) occupies more than 25,000 gsf within the 28-Acre Site Project.

“**Prevailing Rate of Wages**”. The Prevailing Rate of Wages as defined in Section 6.1, and established under subsections 6.22(e)(3) and 6.22(f), of the Administrative Code.

“**Prevailing Wage Covered Project**” means Construction Work within the 28-Acre Site with an estimated cost in excess of the Threshold Amount.

“**Referral**” shall mean a member of the Workforce System who has participated in an OEWD workforce training program.

“**Registered Apprenticeship**” shall mean a work experience that combines formal job-related technical instruction with structured on-the-job learning experiences. Apprentices are hired by employer at the outset of a training program, and the training program is pre-approved by the US Department of Labor (USDOL) or California Division of Apprenticeship Standards (DAS). Registered apprentices receive progressive wages commensurate with their skill attainment throughout an apprenticeship training program. Upon successful completion of all phases of on-the-job learning and related instruction components, registered apprentices receive nationally recognized certificates of completion issued by the USDOL or DAS.

“**Subconsultant**” is defined in Attachment C attached hereto.

“**Subcontractor**” is defined in Attachment A3 attached hereto.

“**TechSF**” shall mean a program which has been established by the City and County of San Francisco and managed by the OEWD, to provide training, education and job placement assistance services to jobseekers, and connects local employers to a qualified workforce in order to help all involved benefit from the growth of the local technology industry, Technology-Enabled Occupations and Technology Occupations across all sectors. For the purposes of this document, this term will refer to any successor programs, which provide similar services.

“**Technology-Enabled Occupations**” shall mean occupations that require skills related to Information, Media and ICT Literacy as highlighted in California’s Digital Literacy definition, “[one’s capacity] for using digital technology, communications tools, and/or networks in creating, accessing, analyzing, managing, integrating, evaluating, and communicating information in order to function in a knowledge based economy and society.” Technology-Enabled Occupations require the ability to analyze, access and work with common computing and communications devices, operating systems, networking systems and applications. These occupations require the ability to understand and use ICT computing, communications and information technologies; use technologies for advance research, analysis and administrative operations. These occupations also require the ability to create, interpret and work with an increasing variety of digital media.

**“Technology Occupations”** shall mean positions that require core competencies in information and communication technology (ICT) systems and solutions. These occupations develop and deploy technologies and infrastructures to both support their enterprise and product users. Additionally, technology occupations require skills in research, design, development and analysis of custom technological products; including but not limited to software, web, application, and cloud-based products. Technology occupations also include positions that are related to the sales, marketing and engineering of these technology-based products. Technology occupations typically occur in the major industry clusters as defined by the North American Industry Classification System (NAICS): Software Publishers; Wired Telecommunications; Wireless Telecommunications; Satellite Communications; Data Processing, Hosting and Related Services; Internet Publishing and Broadcasting and Web Search Portals; and Computer Systems Design. Major technology occupation clusters as identified by the Bureau of Labor Statistics include but are not limited to: information support and services; network systems; program and software development; and web and digital communications.

**“Threshold Amount”** as defined in Section 6.1 of the San Francisco Administrative Code.

**“Work Experience”** shall mean any experience which combine an on-the-job learning component with related classroom instruction designed to maximize the value of on-the-job experiences. Work Experience Education is classified in the California Education Code as General, Exploratory, or Vocational. General work experience exposes students to the world of work; exploratory work experience also allows students to experience a variety of careers; and vocational work experience allows students to explore a career interest in greater depth.

**“Workforce System”** is defined in Attachment A1 attached hereto.

## **B. WORKFORCE JOB READINESS AND TRAINING FUNDS.**

1. **Application.** Developer will provide OEWD with \$1 Million in funding to support the job training and readiness programs run by CityBuild and TechSF as more particularly set forth in this **Section III.B.1** (all funds required under this Section III.B.1, the **“Job Readiness and Training Funds”**). The funding requirements under Sections III.B.2 and III.B.3 will be binding on Developer and its successors and assigns under the DDA. The funding requirements under Section III.B.4 will be binding on Developer or may be assigned to the applicable Vertical Developer under the terms of their Vertical DDA and/or Parcel Lease.
2. **CityBuild Program.** The 28-Acre Site Project will pay a total of **\$250,000** across the three Phases of development in accordance with this Section III.B.2 that the City will use to fund CityBuild programs.
  - a. **Purpose and Amount.** The 28-Acre Site Project will pay the City a total of \$250,000 that the City will use to fund CityBuild programs run by OEWD’s Workforce Development Division. Funds will be allocated by amount and program in OEWD’s discretion, but such programs may include the CityBuild Academy, an 18-week pre-apprenticeship training

program that prepares citywide residents for entry into the trades; the Construction Administration & Professional Service Academy, an 18-week program offered at City College of San Francisco that prepares San Francisco residents for entry-level careers as professional construction office administrators; or the CityBuild Women's Mentorship Program, a volunteer program that connects women construction leaders with experienced professional and mentors.

b. Manner and Timing of Payment. Developer will pay the CityBuild program funds in accordance with the following schedule:

- i. Phase 1: Developer will pay the City \$83,333 within fifteen days after the Phase 1 Approval becomes Final, Binding and Non-Appealable.
- ii. Phase 2: Developer will pay the City \$83,333 within fifteen days after the Phase 2 Approval becomes Final, Binding and Non-Appealable.
- iii. Phase 3: Developer will pay the City \$83,334 within fifteen days after the Phase 3 Approval becomes Final, Binding and Non-Appealable.

3. **CityBuild Services.** The 28-Acre Site Project will pay a total of **\$100,000** that will be used to remove barriers to permanent employment.

a. Purpose and Amount. The 28-Acre Site Project will pay \$100,000 to fund the delivery of services to assist individuals, interested in entering CityBuild or the trades, with addressing barriers to employment. The services will offer case management and supportive services (driver license, housing, union dues, tools, uniform/boots). The resources will be primarily for Bayview Hunter's Point neighborhood residents and surrounding areas. The participants will be assessed for their appropriateness to work in construction and will be provided services to assist them with entering a career in construction. These funds will be distributed directly to Young Community Developers. The participants will be assessed for their appropriateness to work in construction and will be provided services to assist them with entering a career in construction.

b. Manner and Timing of Payment. Developer will make the payment directly to Young Community Developers within fifteen days after the Phase 1 Approval become Final, Binding and Non-Appealable.

4. **TechSF Bridge Training for BVHP/Dogpatch Communities & Targeted End Use Jobs.** The 28-Acre Site Project will pay \$650,000 associated with commercial-office development in Phase 1 and in future Phases, in accordance with this Section.

- a. Purpose and Amount. The Vertical Developers of the first commercial-office project in Phase 1 and the Vertical Developer of the first commercial-office project to be developed in any subsequent Phase will be required to pay funds to the City that will be used by OEWD to support moderate-skilled job training and education programs that prepare individuals in the Bayview Hunter's Point neighborhood residents and surrounding areas in zip codes 94124, 94107, 94103, 94102, 94110, 94134, 94115, and 94112 and other disadvantaged citywide residents for technology (e.g., IT administrator, data scientist, etc.) and technology-enabled (e.g., office administration) office skills positions for Lessee's new employee hiring and incumbent employee advancement offered through the TechSF initiative or OEWD-identified partners. Tech SF will customize technology training based on the types of Lessee leasing space within the Phase, which may include office skills, advanced manufacturing or biotech technology training.
- b. Manner and Timing of Payment.
  - i. Phase 1: The Vertical DDA for the first office-commercial project in Phase 1 will require the Vertical Developer to pay to the City \$325,000 as a condition to issuance of the first Construction Document for the Vertical Improvements.
  - ii. Phase 2 or 3: The Vertical DDA for the first office-commercial project to be proposed in Phase 2 (or the first office-commercial project to be proposed in Phase 3 if no office commercial project is proposed for Phase 2) will require the Vertical Developer to pay to the City \$325,000 as a condition to issuance of the first Construction Document for the Vertical Improvements.
- c. Accounting. Developer and Vertical Developers will have no right to challenge the appropriateness of or the amount of any expenditure, so long as it is used in accordance with the provisions of this **Section III.B.4**. The Job Readiness and Training Funds may be commingled with other funds of the City for purposes of investment and safekeeping, but the City shall maintain records as part of the City's accounting system to account for all the expenditures for a period of four (4) years following the date of the expenditure, and make such records available upon Developer's request.
- d. Board Authorization. By approving the DDA and form of Vertical DDA, including this Workforce Development Plan, the Board of Supervisors authorizes the City (including OEWD) to accept and expend the Job Readiness and Training Funds paid by the Developer as set forth herein. The Board of Supervisors also agrees that any interest earned on any the Job Readiness and Training Funds shall remain in designated accounts for use by OEWD for workforce readiness and training consistent with this Exhibit O and shall not be transferred to the City's general fund.

## C. CONSTRUCTION WORK

1. **Application.** Developers, Vertical Developers and Construction Contractors shall comply with the applicable provisions of this **Section III.C.1** (the “**Construction Workforce Requirements**”) that are requirements of the DDA with respect to Developer, and of the Vertical DDA with respect to Vertical Developers.
2. **Local Hiring Requirements.** Developer, all Vertical Developers and Construction Contractors (and their subcontractors regardless of tier) must comply with the Local Hiring Requirements set forth on Attachment B attached hereto with respect to Covered Projects (as defined therein).
3. **First Source Hiring Program for Construction Work.** Developer, with respect to any Horizontal Improvements that are not subject to the Local Hiring Requirements, and each Vertical Developer with respect to each Vertical Improvement that is not subject to the Local Hiring Requirements, will enter into a Memorandum of Understanding with the City’s First Source Hiring Administration in the form attached hereto as Attachment A-3 under which each Developer and Vertical Developer must include in their contracts with Construction Contractors for Construction Work that is not subject to the Local Hiring Requirements, a requirement that the applicable Construction Contractor enter into a First Source Hiring Agreement in the form attached thereto as Exhibit A, and to provide a signed copy of the relevant Form exhibits to the FSHA.
4. **Local Business Enterprise Requirements.** Developer, all Vertical Developers and their respective Contractors and Consultants (as defined in Attachment C) must comply with the Local Business Enterprise Utilization Program set forth in Attachment C hereto.
5. **Obligations; Limitations on Liability.** Developer and each Vertical Developer shall use good faith efforts, working with the OEWD or its designee, to enforce the applicable Construction Workforce Requirements with respect to its Construction Contractors (as defined above), Contractors and Consultants (as defined in Attachment C), and each Construction Contractor, Contractor and Consultant, as applicable, shall use good faith efforts, working with OEWD or its designee, to enforce the Construction Workforce Requirements with respect to its Subcontractors and Subconsultants (regardless of tier). However, Developer and Vertical Developers shall not be liable for the failure of their respective Construction Contractors, Contractors and Consultants, and Construction Contractors, Contractors and Consultants shall not be liable for the failure of their respective Subcontractors and Subconsultants.
6. **Prevailing Wages.**
  - a. Prevailing Wages. Subject to any collective bargaining agreements in the building trades, Developer, all Vertical Developers and Construction Contractors (and their subcontractors regardless of tier) must (A) pay, and

shall require its respective Construction Contractors (and subcontractors regardless of tier) to pay, all persons performing work on a Prevailing Wage Covered Project no less than the applicable Prevailing Rate of Wages, and (B) comply with, and require its Contractors and Subcontractors to comply with, the provisions of Administrative Code 23.61, which requires Contractors and Subcontractors to comply with Administrative Code subsections 6.22(e)(5), (6), (7) and subsection 6.22(f) for any Prevailing Wage Covered Project .

- b. Enforcement. City's Office of Labor Standards Enforcement ("*OLSE*") enforces labor laws adopted by San Francisco voters and the San Francisco Board of Supervisors. The Port designates OLSE as the agency responsible for ensuring that prevailing wages are paid and other payroll requirements are met in connection with the Work.

#### **D. PROJECT OPERATIONS**

1. **Application**. Covered Operations within the 28-Acre Site Project will be subject to the applicable First Source Hiring Requirements (including TechSF) and Retail Marketing Requirements set forth in this **Section III.D.1** (collectively, the "**Operations Workforce Requirements**"). The Operations Workforce Requirements will be binding on Vertical Developers entering into Parcel Leases.
2. **First Source Hiring Program for Operations**.
  - a. First Source Hiring Agreements. Port and Developer will ensure that the Parcel Lease for each Option Parcel will require the Vertical Developer as tenant thereunder to comply with the operational requirements of the then-current Administrative Code Chapter 83 ("**Chapter 83**") in accordance with this Workforce Development Plan (subject to limitations on Changes to Existing City Laws as provided in Section 5.3 of the Development Agreement). Compliance with Chapter 83 will be achieved by the following:
    - i. Vertical Developer will include in all leases, subleases or other occupancy contracts for Covered Operations (each, a "**Commercial Lease**"), a requirement that the Commercial Tenant enter into a FSHA Operations Agreement in the form attached hereto as Attachment A-1.
    - ii. Vertical Developer will require the applicable party to provide a signed copy of each FSHA Operations Agreement within 10 business days of execution of the Commercial Lease.
    - iii. With the execution of each applicable Commercial Lease, Vertical Developer will provide information and require Lessee to notify OEWD Business Services.



- b. First Source Hiring Agreements for Permanent Tech Employers. The purpose of the FSHA Tech Operations Agreement is to facilitate job training and education opportunities for participants in the TechSF Program. In addition to the First Source Hiring Agreements above, Port and Developer will ensure that the Parcel Lease for each Option Parcel will require the Vertical Developer as tenant thereunder to :
- i. If Vertical Developer is a Permanent Tech Employer, provide hiring executive(s) contact information to OEWD Business Services for itself, and enter into a FSHA Tech Operations Agreement in the form of Attachment A-2;
  - ii. Vertical Developer will include in all lease, subleases or other occupancy contracts for Covered Operations (each, a “**Commercial Lease**”), a requirement that the Commercial Tenant to enter into the FSHA Tech Operations Agreement in the form in Attachment A-2; and
  - iii. Provide contact information for any Commercial Tenant that is a Permanent Tech Employer. Vertical Developer will provide the executive(s) contact information within 10 days of execution of, or, if available, prior to execution of the applicable Commercial Lease, and will provide updated contact information annually thereafter.
  - iv. With the execution of each applicable Commercial Lease with a Permanent Tech Employer, Vertical Developer will provide information related to TechSF and require Lessee to notify OEWD Business Services staff. Vertical Developer will only be required to provide information as supplied to it by OEWD Business Services staff. If no information is supplied by OEWD Business Services staff, then this subsection will be deemed complete.

**3. Local Diverse Small Business Retail Marketing Program.**

- a. Application. Developer, working with its Vertical Developer Affiliates, the Port of San Francisco and OEWD will implement a program that provides opportunities for diverse and local small businesses to become part of the future revitalization of Pier 70 in accordance with this Section III.D.3.
- b. Program Goals. Developer, working with its Vertical Developer Affiliates, the Port of San Francisco and OEWD will implement a program that provides opportunities for diverse and local small businesses to become part of the future revitalization of Pier 70 designed to (i) attract and support diverse small businesses in retail, PDR, arts and commercial spaces within the 28-Acre Site, with a specific focus on District 10

entrepreneurs and businesses, and to (ii) leverage resources available through existing local, state and federal programs delivered through local partner organizations (e.g., OEWD, NEDOs, *etc.*). Developer, working with its Vertical Developer Affiliates, will seek to incorporate 5% local small diverse businesses within traditional retail and PDR spaces in the 28-Acre Site Project, excluding Parcel E4.

c. Marketing Program.

- i. Using its best available information, Developer will provide in each Phase Submittal, the projected commercial space available in the Phase and a general overview of retail, PDR, arts and commercial spaces that could be available for sublease within the applicable Phase to local diverse small businesses. To the extent feasible, the information will include the items described below, at a conceptual level, with the understanding that the description will be based on Developer's best projections at the time, but will be subject to change as the Phase is developed:
  - (1) Potential type of use: retail, services, PDR, restaurant, etc.;
  - (2) Type of space: new construction, rehabilitated space, floor to ceiling heights, likely mechanical systems, loading access, parking availability;
  - (3) Approximate size of spaces;
  - (4) Location: building parcels and street/park frontage locations;
  - (5) Projected timing: timing for delivery of core and shell space availability and anticipated lease sign target date prior to the delivery of core and shell; and
  - (6) Contact: name of broker or Developer contact for any follow up questions.
- ii. Developer will provide Port and OEWD with an update to the information described above within six to eight months after the initial Phase Submittal if the information provided with the Phase Submittal has changed materially.
- iii. During each Phase, Developer will coordinate with OEWD and real estate brokers with the goal of identifying small businesses that might lease space within Vertical Improvements in the Phase by complying with the following process:

- (1) From and after the applicable Phase Approval, Developer provide information on the potential leasing opportunities to OEWD. OEWD to coordinate businesses, entrepreneurs, and NEDOs about potential opportunities.
  - (2) OEWD/Small Business Services will provide support through during lease negotiations with local diverse small businesses identified through this marketing program and engage 1-2 NEDOs that serve small businesses with specific focus on those based in District 10. It is anticipated that OEWD will require each NEDO to provide the following services:
    - (a) Initial consultation to determine potential businesses and entrepreneurs to conduct outreach about potential opportunities at the 28-Acre Site.
    - (b) Consultation with entrepreneurs and businesses necessary to successfully locate their business at the 28-Acre Site. This could include services typically provided by NEDOs such as business plan support, small business financing, loan applications, understanding bank underwriting criteria, and training in basic financial management concepts, including, building equity, maintaining adequate working capital, managing growth and other issues critical to the growth and financial stability of the businesses.
    - (c) NEDOs will identify businesses/entrepreneurs that are eligible and interested in leasing space at Pier 70.
    - (d) NEDOs will share information on outreach events and conversations with OEWD and Developer.
    - (e) Provide support during lease negotiations with local diverse small businesses identified through this marketing program.
- iv. Subject to restrictions on visitor-serving Priority Retail Frontages on Parcels E1, E2 and E3 set forth in Section 7.20 of the DDA, Developer, working through its Vertical Developer Affiliates, will specifically consider neighborhood-serving retail and services that could potentially sublease space subject to Parcel Leases between Port and Vertical Developer Affiliates, including grocery stores, dry cleaners, hardware, after-school programs, recreation and activity spaces, and similar neighborhood-serving businesses.
- v. Developer, through its Vertical Developer Affiliates, will engage brokers to manage the overall marketing and outreach strategy for leasing of commercial, retail, and neighborhood spaces within

Option Parcels taken down by Vertical Developer Affiliates, including the Building 12 market hall. When entering into such contracts with brokers, Developer will emphasize the goals of the small business program and the marketing information prepared by Developer at the beginning of each Phase and will require the applicable broker(s) to engage with the businesses that OEWD/NEDOs have identified in clause (iii) above for the potential spaces available.

- d. Sublease Commitments. Developer, working through its Vertical Developer Affiliates, will use good faith efforts to market new sublease space coming on the market with the initial opening of each Vertical Improvement to diverse local small businesses that it identifies through the marketing program described in **Subsection III.D.3.c** above, at fair market rents and subject to then-existing market conditions. In order to provide time for the small business to develop, Developer will provide a mutual option to extend after the initial lease term. The initial term and option to extend would be a minimum of 8 years. In its evaluation of potential subtenants hereunder, Developer, acting through its Vertical Developer Affiliates, will consider the history and past success of the proposed retail subtenant and its business, as well as the type of business, its ability to enhance the overall 28-Acre Site Project, and its long term viability. Each such potential subtenant must meet standard experience and financial qualifications associated with investment reporting, including (i) the proposed programmatic layout; (ii) its long term proforma and business model; and (iii) financial qualifications, which may include reasonable guarantees of performance.

## **E. GENERAL PROVISIONS**

1. **Enforcement.** OEWD shall have the authority to enforce the Construction Workforce Requirements and the Operations Workforce Requirements. The Port and OEWD staff agree to work cooperatively to create efficiencies and avoid redundancies and to implement this Workforce Development Plan in good faith, and to work with all of the 28-Acre Site Project's stakeholders, including Developer and Vertical Developers, Construction Contractors (and Subcontractors) and Permanent Employers, in a fair, nondiscriminatory and consistent manner.
2. **Third Party Beneficiaries.** Each contract for Construction Work and Covered Operations shall provide that OEWD shall have third party beneficiary rights thereunder for the limited purpose of enforcing the requirements of this Workforce Development Plan applicable to such party directly against such party.
3. **Flexibility.** Some jobs will be better suited to meeting or exceeding the hiring goals than others, hence all workforce hiring goals under a Construction Contract will be cumulative, not individual, goals for that Construction Contract or

Permanent Employer. In addition, Developer and Vertical Developers shall have the right to reasonably spread the workforce goals, in different percentages, among separate Construction Contracts or Permanent Employers so long as the cumulative goals among all of the Construction Contracts or Permanent Employers at any given time meet the requirements of this Workforce Development Plan. The parties shall make such modifications to the applicable First Source Hiring Agreements consistent with Developer and Vertical Developers' allocation. This acknowledgement does not alter in any way the requirement that Developer, Vertical Developers, Construction Contractors and Permanent Employers comply with good faith effort obligations to meet their respective participation goals for the Construction Work and Covered Operations.

4. **Exclusivity.** In recognition of the unique circumstances and requirements surrounding the 28-Acre Site Project, the Port, OEWD and Developer have agreed that this Workforce Development Plan will constitute the exclusive workforce requirements for the 28-Acre Site Project. Without limiting the generality of the foregoing, if the City implements or modifies any workforce development policy or requirements after the date of this Workforce Development Plan, whether relating to construction or operations, that would otherwise apply to the 28-Acre Site Project and Developer asserts that such change as applied to the 28-Acre Site Project would be prohibited by the Development Agreement (including an increase in the obligations of Developer, any Vertical Developer, or their contractors under any provisions of the DDA or any Vertical DDA), then the parties shall resolve the issue through the Dispute Resolution procedures of Section III.F below.

#### **F. DISPUTE RESOLUTION.**

1. **Meet and Confer.** In the event of any dispute under this Workforce Development Plan (including, without limitation, as to compliance with this Workforce Development Plan), the parties to such dispute shall meet and confer in an attempt to resolve the dispute. The parties shall negotiate in good faith for a period of 10 business days in an attempt to resolve the dispute; provided that the complaining party may proceed immediately to the Arbitration Provisions of Attachment D (Dispute Resolution) attached hereto, without engaging in such a conference or negotiations, if the facts could reasonably be construed to support the issuance of a temporary restraining order or a preliminary injunction.
2. **Arbitration.** Disputes arising under this Workforce Development Plan may be submitted to the provisions of Attachment D (Dispute Resolution) hereof if the meet and confer provision of Section III.F.1 above does not result in resolution of the dispute.

**Attachment A-1**

**Form of First Source Hiring Agreement for Operations**

# City and County of San Francisco First Source Hiring Program



Office of Economic and Workforce  
Development Workforce  
Development Division

## Attachment A-1: First Source Hiring Agreement

### For Business, Commercial, Operation and Lease Occupancy of a Vertical Improvement

This First Source Hiring Agreement (this "FSHA Operations Agreement"), is made as of \_\_\_\_\_, by and between \_\_\_\_\_ (the "Lessee"), and the First Source Hiring Administration, (the "FSHA"), collectively the "Parties":

#### RECITALS

WHEREAS, Lessee has plans to occupy a portion of the building at [Address] (the "Premises") which required a First Source Hiring Agreement between the contractor and FSHA because the Premises is subject to a property contract between [Developer/Vertical Developer] and the City acting through the San Francisco Port Commission;

WHEREAS, the [Developer/Vertical Developer] was required to provide notice in leases, subleases and other occupancy contracts for use of the Premises ("Contract");and

WHEREAS, as a material part of the consideration given by Lessee under the Contract, Lessee has agreed to execute this FSHA Operations Agreement and participate in the Workforce System managed by the Office of Economic and Workforce Development ("OEWD") as established by the City and County of San Francisco pursuant to Chapter 83 of the San Francisco Administrative Code ("Chapter 83");

**[Use the following WHEREAS for Vertical Developer operations of Vertical Improvements]**

WHEREAS, Lessee has plans to operate the building at [Address] (the "Premises") which required a First Source Hiring Agreement between the contractor and FSHA because the Premises is subject to a property contract between Lessee and the City acting through the San Francisco Port Commission; and

**[Use the following WHEREAS for subtenants of Vertical Improvements]**

WHEREAS, as a material part of the consideration given by Lessee under the property contract, Lessee has agreed to execute this FSHA Operations Agreement and participate in the Workforce System managed by the Office of Economic and Workforce Development ("OEWD") as established by the City and County of San Francisco pursuant to Chapter 83 of the San Francisco Administrative Code ("Chapter 83");]

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 FSHA Operations Agreement, initially capitalized terms shall be defined as follows:

- a. "Entry Level Position" shall mean 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. "Developer" shall mean FC Pier 70, LLC, a Delaware limited liability company, including any successor during the term of this FSHA Operations Agreement.
- c. "Lessee" shall mean every commercial tenant, subtenant, or any other entity occupying a Workforce Improvement for the intent of doing business in the City and County of San Francisco and possessing a Business Registration Certificate with the Office of Treasurer required to enter into a First Source Hiring Agreement as defined in Chapter 83.
- d. "Project Site" shall mean the area consisting of an approximately 28-acre site located in the Pier 70 area bounded by Illinois Street on the west, 22<sup>nd</sup> Street on the south, and San Francisco Bay on the north and east.
- e. "Referral" shall mean a member of the Workforce System who has been identified by OEWD as having the appropriate training, background and skill sets for a Lessee specified Entry Level Position.
- f. "Vertical Developer" shall mean [*insert name of applicable Vertical Developer*], including any successor during the term of a FSHA Operations Agreement.
- g. "Vertical Improvement" shall mean a new building that is built at the Project Site.
- h. "Workforce Improvement" shall mean Vertical Improvements that are subject to Chapter 83.
- i. Workforce System: The First Source Hiring Administration established by the City and County of San Francisco and managed by OEWD.

## 2. OEWD WORKFORCE SYSTEM PARTICIPATION

- a. Lessee shall notify OEWD's Business Team of every available Entry Level Position and provide OEWD 10 business days to recruit and refer qualified candidates prior to advertising such position to the general public. Lessee shall provide feedback including but not limited to job seekers interviewed, including name, position title, starting salary and employment start date of those individuals hired by the Lessee no later than 10 business days after date of interview or hire.



Lessee will also provide feedback on reasons as to why referrals were not hired. Lessee shall have the sole discretion to interview any Referral by OEWD and will inform OEWD's Business Team why specific persons referred were not interviewed. Hiring decisions shall be entirely at the discretion of Lessee.

- b. Notwithstanding anything to the contrary herein, nothing in this FSHA Operations Agreement precludes Lessee from immediately advertising and filling an Entry Level Position that performs essential functions of its operation prior to notifying OEWD provided, however, the obligations of this FSHA Operation Agreement to make good faith efforts to fill such vacancies permanently with Referrals remains in effect. For these purposes, "essential functions" means those functions absolutely necessary to remain open for business. If Lessee has an immediate need to fill an Entry Level Position that performs essential functions, Lessee shall provide OEWD notice of such position, and the fact that there is an immediate need to fill such position, on or before the date such position is advertised to the general public.
- c. This FSHA Operations Agreement shall be in full force and effect as to each Workforce Improvement until ten (10) years following the date Lessee opens for business at the Premises, and all subsequent leases within 10 years of that date. After that date, this FSHA Operations Agreement shall terminate and be of no further force and effect on the parties hereto, but the requirements of Chapter 83 shall continue to apply.
- d. Unless otherwise agreed to by the Parties, compliance with this FSHA Operations Agreement shall be determined on an individual Workforce Improvement basis and will be measured by dividing the number of new Entry Level Positions occupied by Referrals by the total number of new Entry Level Positions within the Workforce Improvement. Notwithstanding anything to the contrary, new Entry Level Positions occupied by Referrals within the Project Site, but not within the Vertical Improvement, may, at the election of Developer, be counted towards compliance of the Workforce Improvement for this Agreement.

### 3. GOOD FAITH EFFORT TO COMPLY WITH ITS OBLIGATIONS HEREUNDER

Lessee will make good faith efforts to comply with its obligations under this FSHA Operations Agreement. Determination of good faith efforts shall be based on all of the following:

- a. Lessee will execute this FSHA Operations Agreement and Exhibit B-1 attached hereto upon entering into leases for the commercial space of the Workforce Improvement. Lessee will also accurately complete and submit Exhibit B-1 annually to reflect employment conditions.
- b. Lessee agrees to register with OEWD's Referral Tracking System, upon execution of this FSHA Operations Agreement.

- c. Lessee shall notify OEWD's Business Services Team of all available Entry Level Positions 10 business days prior to posting with the general public, subject to the provisions of Section 2 above. The Lessee must identify a single point of contact responsible for communicating Entry Level Positions and take active steps to ensure continuous communication with OEWD's Business Services Team.
- d. Lessee attempts to fill at least 50% of open Entry Level Positions with Referrals. Specific hiring decisions shall be the sole discretion of the Lessee.
- e. Nothing in this FSHA Operations Agreement shall be interpreted to prohibit the continuation of existing workforce training agreements or to interfere with consent decrees, collective bargaining agreements, or existing employment contracts. In the event of a conflict between this FSHA Operations Agreement and an existing agreement, the terms of the existing agreement shall supersede this FSHA Operations Agreement.

Lessee's failure to meet the criteria set forth in this Section 3 does not impute "bad faith", but shall trigger a review of the referral process and compliance with this FSHA Operations Agreement. Failure and noncompliance with this FSHA Operations Agreement will result in penalties as defined in SF Administrative Code Chapter 83. Lessee agrees to review SF Administrative Code Chapter 83, and execution of the FSHA Operations Agreement denotes that Lessee agrees to its terms and conditions.

4. NOTICE

All notices to be given under this FSHA Operations Agreement shall be in writing and sent via mail or email as follows:

If to OEWD:

ATTN:

If to Lessee:

ATTN:

5. ENTIRE AGREEMENT

This FSHA Operations Agreement and the Transaction Documents contain the entire agreement between the parties 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 FSHA Operations Agreement shall be held invalid or unenforceable, the remainder of this FSHA Operations Agreement shall not be affected. If this FSHA Operations 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 FSHA Operations Agreement shall inure to the benefit of and be binding on the parties and their respective successors and assigns. If there is more than one party comprising Lessee, their obligations shall be joint and several.

Section titles and captions contained in this FSHA Operations Agreement are inserted as a matter of convenience and for reference and in no way define, limit, extend or describe the scope of this Agreement or the intent of any of its provisions. This FSHA Operations Agreement shall be governed and construed by laws of the State of California.

[Signature Page Follows]

IN WITNESS WHEREOF, the following have executed this FSHA Operations Agreement as of the date set forth above.

Date: \_\_\_\_\_

Signature: \_\_\_\_\_

Name of Authorized Signer: \_\_\_\_\_

Company: \_\_\_\_\_

Address: \_\_\_\_\_

Phone: \_\_\_\_\_

Email: \_\_\_\_\_

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:**

- Upon entering into leases for the commercial space of the building, the Lessee must submit to OEWD, a signed Exhibit B and Exhibit B-1. Lessee will also complete and submit an Exhibit B-1 annually to reflect employment conditions.
- The employer must notify the First Source Hiring Program (Contact Info below) if an **Entry Level Position** becomes available.

**Section 1: Select your Industry**

- |  |   |  |
|--|---|--|
| <input type="checkbox"/> Auto Repair         | <input type="checkbox"/> Entertainment  | <input type="checkbox"/> Personal Services |
| <input type="checkbox"/> Business Services   | <input type="checkbox"/> Elder Care   | <input type="checkbox"/> Professionals     |
| <input type="checkbox"/> Consulting          | <input type="checkbox"/> Financial Services                                     | <input type="checkbox"/> Real Estate       |
| <input type="checkbox"/> Construction        | <input type="checkbox"/> Healthcare   | <input type="checkbox"/> Retail            |
| <input type="checkbox"/> Government Contract | <input type="checkbox"/> Insurance  | <input type="checkbox"/> Security          |
| <input type="checkbox"/> Education           | <input type="checkbox"/> Manufacturing  | <input type="checkbox"/> Wholesale         |
| <input type="checkbox"/> Food and Drink      | <input type="checkbox"/> I don't see my industry <i>(Please Describe)</i> _____ |  |

**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, 5<sup>th</sup> Floor, San Francisco, CA 94103  
 Tel: 415-701-4848  
 Fax: 415-701-4897  
<mailto:Business.Services@sfgov.org> Website: [www.workforcedevelopmentsf.org](http://www.workforcedevelopmentsf.org)

**Attachment A-2**

**Form of First Source Hiring Agreement for Tech Operations**

[see attached]

# City and County of San Francisco First Source Hiring Program

Office of Economic and Workforce Development  
Workforce Development Division



## Attachment A-2: Form of First Source Hiring Agreement For Commercial Office Lease Occupancy by Permanent Tech Employers

This First Source Hiring Agreement (this “**Agreement**”) for Permanent Tech Employers, is made as of \_\_\_\_\_, 20XX by and between \_\_\_\_\_ (the “**Lessee**”), and the First Source Hiring Administration, (the “**FSHA**”), collectively the “**Parties**”:

### RECITALS

WHEREAS, the San Francisco Port Commission and [**insert name of master tenant under a Parcel Lease**] (the “**Port Tenant**”) are parties to that certain Parcel Lease dated as of \_\_\_\_\_, 20XX (the “**Parcel Lease**”) for the building at [Address] (the “**Premises**”); and

WHEREAS, the Workforce Development Plan attached as Exhibit [XX] to the Parcel Lease (the “**Workforce Development Plan**”) requires all Covered Operations that are also Permanent Tech Employers (as those terms are defined in the Workforce Development Plan) to enter into a First Source Hiring Agreement for operations in the form of this Agreement, in satisfaction of the requirements of the City’s First Source Hiring Program under Chapter 83 of the San Francisco Administrative Code (“**Chapter 83**”); and

WHEREAS, Lessee is a Permanent Tech Employer and is [**the Port Tenant under the Parcel Lease**][a “**Covered Subtenant**” under that certain Sublease with the Port Tenant dated as of \_\_\_\_\_, 20XX (the “**Covered Sublease**”)]; and

WHEREAS, as a material part of the consideration given by Lessee under the [**Parcel Lease**][**Covered Sublease**], Lessee, as a Permanent Tech Employer, has agreed to enter into this Agreement that sets forth participation and reporting requirements to participate in the Tech SF Initiative managed by the Office of Economic and Workforce Development (OEWD); and

WHEREAS, the form of this Agreement may be subject to change upon mutual agreement of the Port Tenant or Covered Subtenant, as applicable, and OEWD subject to provisions of the Workforce Development Plan.

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 Agreement, initially capitalized terms shall be defined as follows:

- a. “AMI” means unadjusted median income levels derived from the Department of Housing and Urban Development on an annual basis for the San Francisco area, adjusted solely for household size, but not high housing cost area.
- b. “Disadvantaged Worker” as defined in Administrative Code Section 82.3 (as that Code Section is amended from time to time, except to the extent that future changes to the definition are prohibited under the terms of Section 5.3(b)(xi) of the Development Agreement).
- c. Internship: A learning and career preparation method that occurs within the context of a course or program. Internships include careers exploration and direct experience and include guidance by staff, mentors, employers, and peers. An intern obtains a good understanding of the requirements of the occupation and an overview of all aspects of their chosen industry, and develops college and career readiness and success skills, such as critical thinking, problem-solving, collaboration and communication.
- d. Local Resident: An individual who is domiciled, as defined by Section 349(b) of the California Election Code, within the City at least seven (7) days prior to commencing work on the project.
- e. Permanent Tech Employer shall mean an employer that both (i) employs primarily Technology Occupations and Technology-Enabled Occupations, and (ii) occupies more than 25,000 gsf within the Project.
- f. Referral: A member of the Workforce System who has participated in an OEWD workforce training program.
- g. Registered Apprenticeship combines formal job-related technical instruction with structured on-the-job learning experiences. Apprentices are hired by employer at outset of training program, and the training program is pre-approved by the US Department of Labor (USDOL) or California Division of Apprenticeship Standards (DAS). Registered Apprentices receive progressive wages commensurate with their skill attainment throughout an apprenticeship training program. Upon successful completion of all phases of on-the-job learning and related instruction components, Registered Apprentices receive nationally recognized certificates of completion issued by the USDOL or DAS.
- h. Technology-Enabled Occupations: occupations that require skills related to Information, Media and ICT Literacy as highlighted in California’s Digital Literacy



definition, “[one’s capacity] for using digital technology, communications tools, and/or networks in creating, accessing, analyzing, managing, integrating, evaluating, and communicating information in order to function in a knowledge based economy and society.” Technology-Enabled Occupations require the ability to analyze, access and work with common computing and communications devices, operating systems, networking systems and applications. These occupations require the ability to understand and use ICT computing, communications and information technologies; use technologies for advance research, analysis and administrative operations. These occupations also require the ability to create, interpret and work with an increasing variety of digital media.

- i. Technology Occupations: defined as positions that require core competencies in information and communication technology (ICT) systems and solutions. These occupations develop and deploy technologies and infrastructures to both support their enterprise and product users. Additionally, technology occupations require skills in research, design, development and analysis of custom technological products; including but not limited to software, web, application, and cloud-based products. Technology occupations also include positions that are related to the sales, marketing and engineering of these technology-based products. Technology occupations typically occur in the major industry clusters as defined by the North American Industry Classification System (NAICS): Software Publishers; Wired Telecommunications; Wireless Telecommunications; Satellite Communications; Data Processing, Hosting and Related Services; Internet Publishing and Broadcasting and Web Search Portals; and Computer Systems Design. Major technology occupation clusters as identified by the Bureau of Labor Statistics include but are not limited to: information support and services; network systems; program and software development; and web and digital communications.
- j. TechSF: A program which has been established by the City and County of San Francisco and managed by the Office of Economic and Workforce Development, to provide training, education and job placement assistance services to jobseekers, and connect local employers to a qualified workforce in order to help all involved benefit from the growth of the local technology industry, and technology-based and technology-enabled occupations across all sectors. For the purposes of this document, this term will refer to any successor programs which provide similar services.
- k. TechSF Community Benefits Program: defined in Section 3 hereof.
- l. Work Experience: Experience which combine an on-the-job learning component with related classroom instruction designed to maximize the value of on-the-job experiences. Work Experience Education is classified in the California Education Code as General, Exploratory, or Vocational. General work experience exposes students to the world of work; exploratory work experience also allows students to experience a variety of careers; and vocational work experience allows students to explore a career interest in greater depth.

- m. Workforce System: The First Source Hiring Administrator established by the City and County of San Francisco and managed by OEWD.

## 2. OEWD WORKFORCE SYSTEM PARTICIPATION

- a. Lessee is required to hold one meeting with OEWD's Business Services Team regarding the hiring of individuals through TechSF for any available positions in Technology Occupations or Technology-Enabled Occupations. Provided Lessee utilizes nondiscriminatory screening criteria, Lessee shall have the sole discretion to interview and hire any Referrals.
- b. Hiring decisions shall be entirely at the discretion of Lessee. Lessee will notify OEWD's Business Services Team of every hire who is a Referral from Tech SF..
- c. Lessee will report to OEWD Business Services annually (beginning with the one-year anniversary date of its **[Parcel Lease][Covered Sublease]** on activities conducted by Lessee under this Agreement related to the compliance of good faith effort obligations enumerated in Section 3 hereof, which may include number of Referrals, hires, or other metrics covered by the TechSF Community Benefits Program.
- d. This Agreement will be in full force and effect as to the **[Parcel Lease][Covered Sublease]** until the earlier of [for **Parcel Lease: insert the date that is 10 years from the execution of the Parcel Lease**][for **Covered Subleases and subsequent Subleases within 10-year period: insert the date that is 10 years from the date of execution**].

## 3. GOOD FAITH EFFORT TO COMPLY WITH ITS OBLIGATIONS HEREUNDER

Within forty-five days after the commencement of the applicable **[Parcel Lease][Covered Sublease]**, Lessee will contact OEWD as required by the Workforce Development Agreement. Within six months after the commencement of the applicable **[Parcel Lease][Covered Sublease]**, or at a later date if agreed to by OEWD, Lessee will prepare and submit to OEWD its community benefits program designed to facilitate job training and education opportunities for participants in the TechSF program or (or successor program designated by OEWD) (the "**TechSF Community Benefits Program**") and will implement the TechSF Community Benefits Program for the term of this Agreement. The TechSF Community Benefits Program shall either consist of the measures in subsections (a) through (c) of this Section 3, or the Lessee will have discretion in designing its own unique TechSF Community Benefits Program to an equal or higher qualitative standard as the measures described below. If a Lessee elects to design its own unique TechSF Community Benefits Program, such program will require approval from OEWD, not to be unreasonably withheld. The TechSF Community Benefits Program may be revised annually with the consent of OEWD. The following measures (which may be in addition to other measures reasonably implemented by Lessee) will qualify as compliance with this requirement:

- a. Provide indoor space to host temporary jobseeker networking, career panel and other OEWD-identified job placement assistance events related to technology or technology-

enabled occupations through the Workforce System. OEWD/Tech SF would manage the planning, coordination and marketing for events. Programming may include one of the following:

- i. hosting one event per year at site location for up to 150 individuals, if requested by OEWD/Tech SF. If no such request is made, then this subsection will be deemed to have been satisfied for the year.
  - ii. participating in two additional TechSF activities per year.
- b. Host at least 5 Work Experience and/or Internship opportunities for every 100 permanent employees per year, targeting OEWD Referrals and Bayview Hunter's Point and surrounding area neighborhood residents, and other Disadvantaged Workers.
- c. Volunteer employee time for on-site training opportunities, which could include workplace tours, job shadowing, classroom lectures, mock interviews, career panels, resume workshops, mentoring, student showcases or other supportive activities.
  - i. Lessee shall provide 100 employee hours per year (e.g. 25 employees at 4 hours each or other combination to be determined by the Lessee), through company's Community Social Responsibility (CSR) agenda or other policies.
- d. Target creating up to five (5) Registered Apprenticeship positions (as that term is defined in the Workforce Development Plan) for every 100 permanent employees, per year, to the extent a USDOL or DAS approved training program exists within the City of San Francisco for occupations which the Lessee is currently hiring for, and interview qualified Referrals through the TechSF Initiative.

Lessee's failure to prepare and implement the TechSF Community Benefits Program set forth in this Section 3 does not impute "bad faith" but shall trigger a review of the referral process and compliance with this Agreement. Violations of this Agreement will be subject to penalties outlined in Chapter 83.

#### 4. COLLECTIVE BARGAINING AGREEMENTS

Nothing in this Agreement shall be interpreted to prohibit the continuation of existing workforce training agreements or to interfere with consent decrees, collective bargaining agreements, project labor agreements or existing employment contracts ("**Collective Bargaining Agreements**"). In the event of a conflict between this Agreement and a Collective Bargaining Agreement, the terms of the Collective Bargaining Agreement shall supersede this Agreement.

#### 5. NOTICE

All notices to be given under this Agreement shall be in writing and sent via mail or email as follows:

ATTN: Business Services, Office of Economic and Workforce Development  
1 South Van Ness Avenue, 5<sup>th</sup> Floor, San Francisco, CA 94103  
Email: [Business.Services@sfgov.org](mailto:Business.Services@sfgov.org)

6. ENTIRE AGREEMENT; MISC.

This Agreement contains the entire agreement between the parties with respect to the subject matter thereunder 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 Agreement shall be held invalid or unenforceable, the remainder of this Agreement shall not be affected. If this 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 Agreement shall inure to the benefit of and shall be binding upon the parties to this Agreement and their respective heirs, successors and assigns. If there is more than one person comprising Lessee, their obligations shall be joint and several. Section titles and captions contained in this Agreement are inserted as a matter of convenience and for reference and in no way define, limit, extend or describe the scope of this Agreement or the intent of any of its provisions. This Agreement shall be governed and construed by laws of the State of California.

IN WITNESS WHEREOF, the following have executed this Agreement as of the date set forth above.

Date: \_\_\_\_\_

Signature: \_\_\_\_\_

Name of Authorized Signer: \_\_\_\_\_

Company: \_\_\_\_\_

Address: \_\_\_\_\_

Phone: \_\_\_\_\_

Email: \_\_\_\_\_

**Attachment A-3**

**Form of First Source Hiring Agreement for Construction**

[see attached]

# City and County of San Francisco First Source Hiring Program



Office of Economic and Workforce Development  
Workforce Development Division

## Attachment A3: First Source Hiring Agreement For Construction

### MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding (“MOU”) is entered into as of \_\_\_\_\_, by and between the City and County of San Francisco (the “City”) through its First Source Hiring Administration (“FSHA”) and \_\_\_\_\_ (“Project Sponsor”).

WHEREAS, Project Sponsor, as developer, proposes to construct \_\_\_\_\_ new dwelling units, with up to \_\_\_\_\_ square feet of commercial space and \_\_\_\_\_ accessory, off-street parking spaces (“Project”) at \_\_\_\_\_, Lots \_\_\_\_\_ in Assessor’s Block \_\_\_\_\_, San Francisco California (“Site”); and

WHEREAS, the Administrative Code of the City provides at Chapter 83 for a “First Source Hiring Program” which has as its purpose the creation of employment opportunities for qualified Economically Disadvantaged Individuals (as defined in Exhibit A); and

WHEREAS, the Project requires a building permit for a commercial activity of greater than 25,000 square feet and/or is a residential project greater than ten (10) units and therefore falls within the scope of the Chapter 83 of the Administrative Code; and

WHEREAS, Project Sponsor wishes to make a good faith effort to comply with the City’s First Source Hiring Program.

Therefore, the parties to this Memorandum of Understanding agree as follows:

- A. Project Sponsor, upon entering into a contract for the construction of the Project with Contractor after the date of this MOU, will include in that contract a provision requiring the Contractor to enter into a First Source Hiring Agreement in the form attached hereto as Exhibit A. It is the Project Sponsor’s responsibility to provide a signed copy of Exhibit A to First Source Hiring program and CityBuild within 10 business days of execution.
- B. CityBuild shall represent the First Source Hiring Administration and will provide referrals of Qualified (as defined in Exhibit A) Economically Disadvantaged Individuals for employment on the construction phase of the Project as required under

Chapter 83. The First Source Hiring Program will provide referrals of Qualified Economically Disadvantaged Individuals for the permanent jobs located within the commercial space of the Project.

- C. The owners or residents of the residential units within the Project shall have no obligations under this MOU, or the attached First Source Hiring Agreement.
- D. FSHA shall advise Project Sponsor, in writing, of any alleged breach on the part of the Project's contractor and/or tenant(s) with regard to participation in the First Source Hiring Program at the Project prior to seeking an assessment of liquidated damages pursuant to Section 83.12 of the Administrative Code.
- E. As stated in Section 83.10(d) of the Administrative Code, if Project Sponsor fulfills its obligations as set forth in Chapter 83, it shall not be held responsible for the failure of a contractor or commercial tenant to comply with the requirements of Chapter 83.
- F. This MOU is an approved "First Source Hiring Agreement" as referenced in Section 83.11 of the Administrative Code. The parties agree that this MOU shall be recorded and that it may be executed in counterparts, each of which shall be considered an original and all of which taken together shall constitute one and the same instrument.
- G. Except as set forth in Section E, above: (1) this MOU shall be binding on and inure to the benefit of all successors and assigns of Project Sponsor having an interest in the Project and (2) Project Sponsor shall require that its obligations under this MOU shall be assumed in writing by its successors and assigns. Upon Project Sponsor's sale, assignment or transfer of title to the Project, it shall be relieved of all further obligations or liabilities under this MOU.

Signature: _____	Date:
Name of Authorized Signer:	Email:
Company:	Phone:
Address: _____	
Project Sponsor:	
Contact:	Phone:
Address: _____	Email:

\_\_\_\_\_  
**First Source Hiring Administration**  
OEWD, 1 South Van Ness 5<sup>th</sup> Fl. San Francisco, CA 94103  
Attn: Ken Nim, Compliance Manager, [ken.nim@sfgov.org](mailto:ken.nim@sfgov.org)

Date:

**Exhibit A:  
First Source Hiring Agreement**

This First Source Hiring Agreement (this "Agreement"), is made as of \_\_\_\_\_, by and between \_\_\_\_\_, the First Source Hiring Administration, (the "FSHA"), and the undersigned contractor \_\_\_\_\_ ("Contractor"):

**RECITALS**

WHEREAS, Contractor has executed or will execute an agreement (the "Contract") to construct or oversee a portion of the project to construct \_\_\_\_\_ new dwelling units, with up to \_\_\_\_\_ square feet of commercial space and \_\_\_\_\_ accessory, off-street parking spaces ("Project") at \_\_\_\_\_, Lots \_\_\_\_\_ in Assessor's Block \_\_\_\_\_, San Francisco California ("Site"), and a copy of this Agreement is attached as an exhibit to, and incorporated in, the Contract; and

WHEREAS, as a material part of the consideration given by Contractor under the Contract, Contractor has agreed to execute this Agreement and participate in the San Francisco Workforce Development System established by the City and County of San Francisco, pursuant to Chapter 83 of the San Francisco Administrative Code;

WHEREAS, as a material part of the consideration given by Contractor under the Contract, Contractor has agreed to execute this Agreement and participate in the San Francisco Workforce Development System established by the City and County of San Francisco, pursuant to Chapter 83 of the San Francisco Administrative Code;

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, the parties covenant and agree as follows:

**1. DEFINITIONS**

For purposes of this Agreement, initially capitalized terms shall be defined as follows:

- a. "Core" or "Existing" workforce. Contractor's "core" or "existing" workforce shall consist of any worker who appears on the Contractor's active payroll for at least 60 days of the 100 working days prior to the award of this Contract.
- b. "Economically Disadvantaged Individual". An individual who is either (a) eligible for services under the Workforce Investment Act of 1998 (29 U.S.C.A. 2801, *et seq.*), as may be amended from time to time, or (b) designated as "economically disadvantaged" by the OEWD/First Source Hiring Administration as an individual who is at risk of relying upon, or returning to, public assistance.
- c. "Hiring opportunity". When a Contractor adds workers to its existing workforce for the purpose of performing the work under this Contract, a "hiring opportunity" is created. For example, if the carpentry subcontractor has an existing crew of five carpenters and needs seven carpenters to perform the work, then there are two hiring opportunities for carpentry on the Project.



- d. "Job Notification". Written notice of job request from Contractor to CITYBUILD for any hiring opportunities. Contract shall provide Job Notifications to CITYBUILD with a minimum of 3 business days' notice.
- e. "New hire". A "new hire" is any worker who is not a member of Contractor's core or existing workforce.
- f. "Referral". A referral is an individual member of the CITYBUILD Referral Program who has received training appropriate to entering the construction industry workforce.
- g. "Workforce participation goal". The workforce participation goal is expressed as a percentage of the Contractor's and its Subcontractors' new hires for the Project.
- h. "Entry Level Position". A 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 and permanent jobs, and construction jobs related to the development of a commercial activity.
- i. "First Opportunity". Consideration by Contractor of System Referrals for filling Entry Level Positions prior to recruitment and hiring of non-System Referral job applicants.
- j. "Job Classification". Categorization of employment opportunity or position by craft, occupational title, skills, and experience required, if any.
- k. "Job Notification". Written notice, in accordance with Section 2(b) below, from Contractor to FSHA for any available Entry Level Position during the term of the Contract.
- l. "Publicize". Advertise or post available employment information, including participation in job fairs or other forums.
- m. "Qualified". An Economically Disadvantaged Individual who meets the minimum bona fide occupational qualifications provided by Contractor to the System in the job availability notices required this Agreement.
- n. "System". The San Francisco Workforce Development System established by the City and County of San Francisco, and managed by the Office of Economic and Workforce Development (OEWD), for maintaining (1) a pool of Qualified individuals, and (2) the mechanism by which such individuals are certified and referred to prospective employers covered by the First Source Hiring requirements under Chapter 83 of the San Francisco Administrative Code. Under this agreement, CityBuild will act as the representative of the San Francisco Workforce Development System.
- o. "System Referrals". Referrals by CityBuild of Qualified applicants for Entry Level Positions with Contractor.

- p. "Subcontractor". A person or entity who has a direct contract with Contractor to perform a portion of the work under the Contract.

## 2. PARTICIPATION OF CONTRACTOR IN THE SYSTEM

- a. The Contractor agrees to work in Good Faith with the Office of Economic and Workforce Development (OEWD)'s CityBuild Program to achieve the goal of 50% of new hires for employment opportunities in the construction trades and Entry-level Position related to providing support to the construction industry.

The Contractor shall provide CityBuild the following information about the Contractor's employment needs under the Contract:

- i. On Exhibit A-1, the CityBuild Workforce Projection Form 1, Contractor will provide a detailed numerical estimate of journey and apprentice level positions to be employed on the project for each trade.
  - ii. Contractor is required to ensure that a CityBuild Workforce Projection Form 1 is also completed by each of its Subcontractors.
  - iii. Contractor will collaborate with CityBuild staff to identify, by trade, the number of Core workers at project start and the number of workers at project peak; and the number of positions that will be required to fulfill the First Source local hiring expectation.
  - iv. Contractor and Subcontractors will provide documented verification that its "core" employees for this contract meet the definition listed in Section 1.a.
- b.
    - i. Contractor must (A) give good faith consideration to all CityBuild Referrals, (B) review the resumes of all such referrals, (C) conduct interviews for posted Entry Level Positions in accordance with the non-discrimination provisions of this contract, and (D) affirmative obligation to notify CityBuild of any new entry-level positions throughout the life of the project.
    - ii. Contractor must provide constructive feedback to CityBuild on all System Referrals in accordance with the following:

- (A) If Contractor meets the criteria in Section 5(a) below that establishes “good faith efforts” of Contractor, Contractor must only respond orally to follow-up questions asked by the CityBuild account executive regarding each System Referral; and
  - (B) After Contractor has filled at least 5 Entry Level Positions under this Agreement, if Contractor is unable to meet the criteria in Section 5(b) below that establishes “good faith efforts” of Contractor, Contractor will be required to provide written comments on all CityBuild Referrals.
- c. Contractor must provide timely notification to CityBuild as soon as the job is filled, and identify by whom.

3. CONTRACTOR RETAINS DISCRETION REGARDING HIRING DECISIONS

Contractor agrees to offer the System the first opportunity to provide qualified applicants for employment consideration in Entry Level Positions, subject to any enforceable collective bargaining agreements. Contractor shall consider all applications of Qualified System Referrals for employment. Provided Contractor utilizes nondiscriminatory screening criteria, Contractor shall have the sole discretion to interview and hire any System Referrals.

4. COMPLIANCE WITH COLLECTIVE BARGAINING AGREEMENTS

Notwithstanding any other provision hereunder, if Contractor is subject to any collective bargaining agreement(s) requiring compliance with a pre-established applicant referral process, Contractor’s only obligations with regards to any available Entry Level Positions subject to such collective bargaining agreement(s) during the term of the Contract shall be the following:

- a. Contractor shall notify the appropriate union(s) of the Contractor’s obligations under this Agreement and request assistance from the union(s) in referring Qualified applicants for the available Entry Level Position(s), to the extent such referral can conform to the requirements of the collective bargaining agreement(s).
- b. Contractor shall use “name call” privileges, in accordance with the terms of the applicable collective bargaining agreement(s), to seek Qualified applicants from the System for the available Entry Level Position(s).

- c. Contractor shall sponsor Qualified apprenticeship applicants, referred through the System, for applicable union membership.

5. CONTRACTOR'S GOOD FAITH EFFORT TO COMPLY WITH ITS OBLIGATIONS HEREUNDER

Contractor will make good faith efforts to comply with its obligations to participate in the System under this Agreement. Determinations of Contractor's good faith efforts shall be in accordance with the following:

- a. Contractor shall be deemed to have used good faith efforts if Contractor accurately completes and submits prior to the start of demolition and/or construction Exhibit A-1: CityBuild Workforce Projection Form 1; and
- b. Contractor's failure to meet the criteria set forth from Section 5(c) to 5(m) does not impute "bad faith." Failure to meet the criteria set forth in Section 5(c) to 5(m) shall trigger a review of the referral process and the Contractor's efforts to comply with this Agreement. Such review shall be conducted by FSHA in accordance with Section 11(c) below.
- c. Meet with the Project's owner, developer, general contractor, or CityBuild representative to review and discuss your plan to meet your local hiring obligations under San Francisco's First Source Hiring Ordinance (Municipal Code- Chapter 83) or the City and County of San Francisco Administrative Code Chapter 6.
- d. Contact a CityBuild representative to review your hiring projections and goals for the Project. The Project developer and/or Contractor must take active steps to advise all of its Subcontractors of the local hiring obligations on the Project, including, but not limited to providing CityBuild access and presentation time at each pre-bid, each pre-construction, and if necessary, any progress meeting held throughout the life of the project
- e. Submit to CityBuild a "Projection of Entry Level Positions" form or other formal written notification specifying your expected hiring needs during the Project's duration.
- f. Notify your respective union(s) regarding your local hiring obligations and request their assistance in referring qualified San Francisco residents for any available position(s). This step applies to the extent that such referral would not violate your union's collective bargaining agreement(s).
- g. Be sure to reserve your "name call" privileges for qualified applicants referred through the CityBuild system. This should be done within the terms of applicable collective bargaining agreement(s).

- h. Provide CityBuild with up-to-date list of all trade unions affiliated with any work on the Project in a timely matter in order to facilitate CityBuild's notification to these unions of the Project's workforce requirements.
- i. Submit a "Job Request" in the form attached hereto as Attachment A-1, Form 3, to CityBuild for each apprentice level position that becomes available. Please allow a minimum of 3 Business Days for CityBuild to provide appropriate candidate(s). You should simultaneously contact your union about the position as well, and let them know that you have contacted CityBuild as part of your local hiring obligations.
- j. Developer has an ongoing, affirmative obligation and must advise each of its Subcontractors of their ongoing obligation to notify CityBuild of any/all apprentice level openings that arise throughout the duration of the project, including openings that arise from layoffs of original crew. Developer/contractor shall not exercise discretion in informing CityBuild of any given position; rather, CityBuild is to be universally notified, and a discussion between the developer/contractor and CityBuild can determine whether a CityBuild graduate would be an appropriate placement for any given apprentice level position.
- k. Hire qualified candidate(s) referred through the CityBuild system. In the event of the firing/layoff of any CityBuild graduate, Project developer and/or Contractor must notify CityBuild staff within two days of the decision and provide justification for the layoff; ideally, Project developer and/or Contractor will request a meeting with the Project's employment liaison as soon as any issue arises with a CityBuild placement in order to remedy the situation before termination becomes necessary.
- l. Provide a monthly report and/or any relevant workforce records or data from contractors to identify workers employed on the Project, source of hire, and any other pertinent information as pertain to compliance with this Agreement.
- m. Maintain accurate records of your efforts to meet the steps and requirements listed above. Such records must include the maintenance of an on-site First Source Hiring Compliance binder, as well as records of any new hire made by the Contractor and/or Project developer through a San Francisco community-based organization whom the Contractor believes meets the First Source Hiring criteria. Any further efforts or actions agreed upon by CityBuild staff and the Project developer and/or Contractor on a project-by-project basis.

## 6. COMPLIANCE WITH THIS AGREEMENT OF SUBCONTRACTORS

In the event that Contractor subcontracts a portion of the work under the Contract, Contractor shall determine how many, if any, of the Entry Level Positions are to be employed by its Subcontractor(s) using Form 1: the CityBuild Workforce Projection Form and the City's online project reporting system (currently Elation), provided, however, that Contractor shall retain the primary responsibility for meeting the

requirements imposed under this Agreement. Contractor shall ensure that this Agreement is incorporated into and made applicable to such Subcontract.

7. EXCEPTION FOR ESSENTIAL FUNCTIONS

Nothing in this Agreement precludes Contractor from using temporary or reassigned existing employees to perform essential functions of its operation; provided, however, the obligations of this Agreement to make good faith efforts to fill such vacancies permanently with System Referrals remains in effect. For these purposes, "essential functions" means those functions absolutely necessary to remain open for business.

8. CONTRACTOR'S COMPLIANCE WITH EXISTING EMPLOYMENT AGREEMENTS

Nothing in this Agreement shall be interpreted to prohibit the continuation of existing workforce training agreements or to interfere with consent decrees, collective bargaining agreements, or existing employment contracts. In the event of a conflict between this Agreement and an existing agreement, the terms of the existing agreement shall supersede this Agreement.

9. HIRING GOALS EXCEEDING OBLIGATIONS OF THIS AGREEMENT

Nothing in this Agreement shall be interpreted to prohibit the adoption of hiring and retention goals, first source hiring and interviewing requirements, notice and job availability requirements, monitoring, record keeping, and enforcement requirements and procedures which exceed the requirements of this Agreement.

10. OBLIGATIONS OF CITYBUILD

Under this Agreement, CityBuild shall:

- a. Upon signing the CityBuild Workforce Hiring Plan, immediately initiate recruitment and pre-screening activities.
- b. Recruit Qualified individuals to create a pool of applicants for jobs who match Contractor's Job Notification and to the extent appropriate train applicants for jobs that will become available through the First Source Program;
- c. Screen and refer applicants according to qualifications and specific selection criteria submitted by Contractor;
- d. Provide funding for City-sponsored pre-employment, employment training, and support services programs;
- e. Follow up with Contractor on outcomes of System Referrals and initiate corrective action as necessary to maintain an effective employment/training delivery system;

- f. Provide Contractor with reporting forms for monitoring the requirements of this Agreement; and
- g. Monitor the performance of the Agreement by examination of records of Contractor as submitted in accordance with the requirements of this Agreement.

11. CONTRACTOR'S REPORTING AND RECORD KEEPING OBLIGATIONS

Contractor shall:

- a. Maintain accurate records demonstrating Contractor's compliance with the First Source Hiring requirements of Chapter 83 of the San Francisco Administrative Code including, but not limited to, the following:
  - (1) Applicants
  - (2) Job offers
  - (3) Hires
  - (4) Rejections of applicants
- b. Submit completed reporting forms based on Contractor's records to CityBuild quarterly, unless more frequent submittals are reasonably required by FSHA. In this regard, Contractor agrees that if a significant number of positions are to be filled during a given period or other circumstances warrant, CityBuild may require daily, weekly, or monthly reports containing all or some of the above information.
- c. If based on complaint, failure to report, or other cause, the FSHA has reason to question Contractor's good faith effort, Contractor shall demonstrate to the reasonable satisfaction of the City that it has exercised good faith to satisfy its obligations under this Agreement.

12. DURATION OF THIS AGREEMENT

This Agreement shall be in full force and effect throughout the term of the Contract. Upon expiration of the Contract, or its earlier termination, this Agreement shall terminate and it shall be of no further force and effect on the parties hereto.

13. NOTICE

All notices to be given under this Agreement shall be in writing and sent by: certified mail, return receipt requested, in which case notice shall be deemed delivered three (3) business days after deposit, postage prepaid in the United States Mail, a nationally recognized overnight courier, in which case notice shall be deemed delivered one (1) business day after deposit with that courier, or hand delivery, in which case notice shall be deemed delivered on the date received, all as follows:

If to FSHA: First Source Hiring Administration  
OEWD, 1 South Van Ness 5<sup>th</sup> Fl.  
San Francisco, CA 94103  
Attn: Ken Nim, Compliance Manager,  
[ken.nim@sfgov.org](mailto:ken.nim@sfgov.org)

If to CityBuild: CityBuild Compliance Manager  
OEWD, 1 South Van Ness 5<sup>th</sup> Fl.  
San Francisco, CA 94103  
Attn: Ken Nim, Compliance Manager,  
[ken.nim@sfgov.org](mailto:ken.nim@sfgov.org)

If to Developer:

Attn:

If to Contractor:

Attn:

- a. Any party may change its address for notice purposes by giving the other parties notice of its new address as provided herein. A “business day” is any day other than a Saturday, Sunday or a day in which banks in San Francisco, California are authorized to close.
- b. Notwithstanding the forgoing, any Job Notification or any other reports required of Contractor under this Agreement (collectively, “Contractor Reports”) shall be delivered to the address of FSHA pursuant to this Section via first class mail, postage paid, and such Contractor Reports shall be deemed delivered two (2) business days after deposit in the mail in accordance with this Subsection.

#### 14. ENTIRE AGREEMENT

This Agreement contains the entire agreement between the parties to this Agreement and shall not be modified in any manner except by an instrument in writing executed by the parties or their respective successors in interest.



15. SEVERABILITY

If any term or provision of this Agreement shall, to any extent, be held invalid or unenforceable, the remainder of this Agreement shall not be affected.

16. COUNTERPARTS

This Agreement may be executed in one or more counterparts. Each shall be deemed an original and all, taken together, shall constitute one and the same instrument.

17. SUCCESSORS

This Agreement shall inure to the benefit of and shall be binding upon the parties to this Agreement and their respective heirs, successors and assigns. If there is more than one person comprising Seller, their obligations shall be joint and several.

18. HEADINGS

Section titles and captions contained in this Agreement are inserted as a matter of convenience and for reference and in no way define, limit, extend or describe the scope of this Agreement or the intent of any of its provisions

19. GOVERNING LAW

This Agreement shall be governed and construed by the laws of the State of California.

IN WITNESS WHEREOF, the following have executed this Agreement as of the date set forth above.

**CONTRACTOR:**

Date: \_\_\_\_\_

Signature: \_\_\_\_\_

Name of Authorized Signer: \_\_\_\_\_

Company: \_\_\_\_\_

Address: \_\_\_\_\_

Phone: \_\_\_\_\_

Email: \_\_\_\_\_



CITY AND COUNTY OF SAN FRANCISCO  
 OFFICE OF ECONOMIC AND WORKFORCE DEVELOPMENT  
 CITYBUILD PROGRAM



FIRST SOURCE HIRING PROGRAM  
 EXHIBIT A-1 - CITYBUILD  
 CONSTRUCTION CONTRACTS

**FORM 1: CITYBUILD WORKFORCE PROJECTION**

**Instructions**

- The Prime Contractor must complete and submit Form 1 within 30 days of award of contract.
- All subcontractors with contracts in excess of \$100,000 must complete Form 1 and submit to the Prime Contractor within 30 days of award of contract.
- The Prime Contractor is responsible for collecting all completed Form 1's from all subcontractors.
- It is the Prime Contractor's responsibility to ensure the CityBuild Program receives completed Form 1's from all subcontractors in the specified time and keep a record of these forms in a compliance binder at the project jobsite.
- All contractors and subcontractors are required to attend a preconstruction meeting with CityBuild staff.

Construction Project Name: _____	Construction Project Address: _____
Projected Start Date: _____	Contract Duration: _____ (calendar days)
Company Name: _____	Company Address: _____
Main Contact Name: _____	Main Phone Number: _____
Main Contact Email: _____	
Name of Person with Hiring Authority: _____	Hiring Authority Phone Number: _____
Hiring Authority Email: _____	

_____ Name of Authorized Representative	_____ Signature of Authorized Representative*	_____ Date
--	--	---------------

*\*By signing this form, the company agrees to participate in the CityBuild Program and comply with the provisions of the First Source Hiring Agreement pursuant to San Francisco Administrative Code Chapter 83.*

**Table 1: Briefly summarize your contracted or subcontracted scope of work**

**Table 2: Complete on the following page**

- List the construction trade crafts that are projected to perform work. Do not list Project Managers, Engineers, Administrative, and any other non-construction trade employees.
- Total Number of Workers on the Project: The total number of workers projected to work on the project per construction trade. This number will include existing workers and new hires. For union contractors this total will also include union dispatches.
- Total Number of New Hires: List the projected number of New Hires that will be employed on the project. For union contractors, New Hires will also include union dispatches.

**Table 2: List all construction trades projected to perform work**

Construction Trades	Journey or Apprentice	Union (Yes or No)	Total Work Hours	Total Number of Workers on the Project	Total Number of New Hires
	J <input type="checkbox"/> A <input type="checkbox"/>	Y <input type="checkbox"/> N <input type="checkbox"/>			
	J <input type="checkbox"/> A <input type="checkbox"/>	Y <input type="checkbox"/> N <input type="checkbox"/>			
	J <input type="checkbox"/> A <input type="checkbox"/>	Y <input type="checkbox"/> N <input type="checkbox"/>			
	J <input type="checkbox"/> A <input type="checkbox"/>	Y <input type="checkbox"/> N <input type="checkbox"/>			
	J <input type="checkbox"/> A <input type="checkbox"/>	Y <input type="checkbox"/> N <input type="checkbox"/>			
	J <input type="checkbox"/> A <input type="checkbox"/>	Y <input type="checkbox"/> N <input type="checkbox"/>			
	J <input type="checkbox"/> A <input type="checkbox"/>	Y <input type="checkbox"/> N <input type="checkbox"/>			
	J <input type="checkbox"/> A <input type="checkbox"/>	Y <input type="checkbox"/> N <input type="checkbox"/>			
	J <input type="checkbox"/> A <input type="checkbox"/>	Y <input type="checkbox"/> N <input type="checkbox"/>			

**Table 3: List your core or existing employees projected to work on the project**

- Please provide information on your projected core or existing employees that will perform work on the jobsite.
- "Core" or "Existing" workers are defined as any worker appearing on the Contractor's active payroll for at least 60 out of the 100 working days prior to the award of this Contract. If necessary, continue on a separate sheet.

Name of Core or Existing Employee	Construction Trade	Journey or Apprentice	City	Zip Code
		J <input type="checkbox"/> A <input type="checkbox"/>		
		J <input type="checkbox"/> A <input type="checkbox"/>		
		J <input type="checkbox"/> A <input type="checkbox"/>		
		J <input type="checkbox"/> A <input type="checkbox"/>		
		J <input type="checkbox"/> A <input type="checkbox"/>		
		J <input type="checkbox"/> A <input type="checkbox"/>		
		J <input type="checkbox"/> A <input type="checkbox"/>		
		J <input type="checkbox"/> A <input type="checkbox"/>		
		J <input type="checkbox"/> A <input type="checkbox"/>		
		J <input type="checkbox"/> A <input type="checkbox"/>		
		J <input type="checkbox"/> A <input type="checkbox"/>		
		J <input type="checkbox"/> A <input type="checkbox"/>		
		J <input type="checkbox"/> A <input type="checkbox"/>		
		J <input type="checkbox"/> A <input type="checkbox"/>		
		J <input type="checkbox"/> A <input type="checkbox"/>		

<b>FOR CITY USE ONLY:</b> CityBuild Staff: _____		Approved: Yes <input type="checkbox"/> No <input type="checkbox"/>	Date: _____
Reason: _____			
		J <input type="checkbox"/> A <input type="checkbox"/>	
		J <input type="checkbox"/> A <input type="checkbox"/>	

## FORM 3: CITYBUILD JOB NOTICE FORM

**INSTRUCTIONS:** To meet the requirements of the First Source Hiring Program (San Francisco Administrative Code Chapter 83), the Contractor shall notify CityBuild, the First Source Hiring Administrator, of all new hiring opportunities with a minimum of 3 business days prior to the start date.

1. Complete the form and fax to CityBuild 415-701-4896 or EMAIL: [workforce.development@sfgov.org](mailto:workforce.development@sfgov.org)
2. Contact Workforce Development at 415-701-4848 or by email: [local.hire.ordinance@sfgov.org](mailto:local.hire.ordinance@sfgov.org)

OR call the main line of the Office of Economic and Workforce Development (OEWD) at 415-701-4848 to confirm receipt of fax or email.

**ATTENTION:** Please also submit this form to your union or hiring hall if you are required to do so under your collective bargaining agreement or contract. CityBuild is not a Dispatching Hall, nor does this form act as a Request for Dispatch. All formal Requests for Dispatch will be conducted through your union or hiring hall.

### Section A. Job Notice Information

Trade \_\_\_\_\_ # of Journeymen \_\_\_\_\_ # of Apprentices \_\_\_\_\_

Start Date \_\_\_\_\_ Start Time \_\_\_\_\_ Job Duration \_\_\_\_\_

Brief description of your scope of work: \_\_\_\_\_

### Section B. Union Information (Union contractors complete Section B. Otherwise, leave Section B blank)

Local # \_\_\_\_\_ Union Contact Name \_\_\_\_\_ Union Phone # \_\_\_\_\_

### Section C. Contractor Information

Project Name: \_\_\_\_\_

Jobsite Location: \_\_\_\_\_

Contractor: \_\_\_\_\_ Prime  Sub

Contractor Address: \_\_\_\_\_

Contact Name: \_\_\_\_\_ Title: \_\_\_\_\_

Office Phone: \_\_\_\_\_ Cell Phone: \_\_\_\_\_ Email: \_\_\_\_\_

Alt. Contact: \_\_\_\_\_ Phone #: \_\_\_\_\_

Contractor Contact Signature \_\_\_\_\_ Date \_\_\_\_\_

**OEWD USE ONLY** Able to Fill Yes  No

**Attachment B**

**Local Hiring Requirements**

[see attached]

## WORKFORCE DEVELOPMENT PLAN – ATTACHMENT B

### LOCAL HIRING PLAN FOR CONSTRUCTION

#### 1.1 SUMMARY

- A. This Attachment B to the Pier 70 28-Acre Site Workforce Development Plan (“**Local Hiring Plan**”) governs the obligations of the Project to comply with the City’s Local Hiring Policy for Construction pursuant to Chapter 82 of the San Francisco Administrative Code (the “**Policy**”). In the event of any conflict between Administrative Code Chapter 82 and this Attachment, this Attachment shall govern.
- B. The provisions of this Local Hiring Plan are hereby incorporated as a material term of the DDA and each Vertical DDA. Under the DDA and each Vertical DDA, the Developer or Vertical Developer thereunder, as applicable, shall require any Contractor performing Construction Work to agree that (i) the Contractor shall comply with all applicable requirements of this Local Hiring Plan; (ii) the provisions of this Local Hiring Plan and the Policy are reasonable and achievable by Contractor and its Subcontractors; and (iii) they have had a full and fair opportunity to review and understand the terms of the Local Hiring Plan.
- C. The Office of Economic and Workforce Development (OEWD) is responsible for administering the Local Hiring Plan and will be administering its applicable requirements. For more information on the Policy and its implementation, please visit the OEWD website at: [www.workforcedevelopmentsf.org](http://www.workforcedevelopmentsf.org).
- D. Capitalized terms not defined herein shall have the meanings ascribed to them in the DDA or the Policy, as applicable.

#### 1.2 DEFINITIONS

- A. “Apprentice” means any worker who is indentured in a construction apprenticeship program that maintains current registration with the State of California’s Division of Apprenticeship Standards.
- B. “Area Median Income (AMI)” means unadjusted median income levels derived from the Department of Housing and Urban Development (“HUD”) on an annual basis for the San Francisco area, adjusted solely for household size, but not high housing cost area.
- C. “Construction Work” means, as applicable, (a) the initial construction of all Horizontal Improvements required or permitted to be made to the 28-Acre Site to be carried out by Developer under the DDA, (b) the initial construction of all Vertical Improvements to be carried out by a Vertical Developer under a Vertical DDA or Parcel Lease, and (c) initial tenant improvement work for all Vertical Improvements other than light industrial, arts activities or standalone affordable residential buildings. For the avoidance of doubt, Construction Work for Vertical Improvements shall not include any repairs, maintenance, renovations or other construction work performed after issuance of the first certificate of occupancy for a Vertical Improvement. Work occurring prior to execution of the DDA is not subject to Local Hire.

- D. "Covered Project" means Construction Work within the 28-Acre Site with an estimated cost in excess of the Threshold Amount.
- E. "Contractor" means a prime contractor, general contractor, or construction manager contracted by a Developer or Vertical Developer who performs Construction Work on the 28-Acre Site
- F. "Disadvantaged Worker" as defined in Administrative Code Section 82.3 (as that Code Section is amended from time to time, except to the extent that future changes to the definition are prohibited under the terms of Section 5.3(b)(xi) of the Development Agreement).
- G. "Job Notification" means the written notice of any Hiring Opportunities from Contractor to CityBuild. Contractor shall provide Job Notifications to CityBuild with a minimum of 3 business days' notice.
- H. "Local Resident" means an individual who is domiciled, as defined by Section 349(b) of the California Election Code, within the City at least seven (7) days prior to commencing work on the project.
- I. "Non-Covered Project" means any construction projects not covered by the San Francisco Local Hiring Policy.
- J. "Project Work". Construction Work performed as part of a Covered Project.
- K. "Project Work Hours" means the total onsite work hours worked on a construction contract for a Covered Project by all Apprentices and journey-level workers, whether those workers are employed by the Contractor or any Subcontractor.
- L. "Subcontractor" means any person, firm, partnership, owner operator, limited liability company, corporation, joint venture, proprietorship, trust, association, or other entity that contracts with a Contractor or another subcontractor to provide services to a Contractor or another subcontractor in fulfillment of the Contractor's or that other subcontractor's obligations arising from a contract for construction work on a Covered Project who performs Construction Work on the 28 Acre site.
- M. "Targeted Worker" means any Local Resident or Disadvantaged Worker.
- N. "Threshold Amount" as defined in Section 6.1 of the San Francisco Administrative Code.

### 1.3 LOCAL HIRING REQUIREMENTS

- A. Total Project Work Hours By Trade. For all construction contracts for Covered Projects, the mandatory participation level in terms of Project Work Hours within each trade to be performed by Local Residents is 30%, with a goal of no less than 15% of Project Work Hours within each trade to be performed by Disadvantaged Workers. The mandatory participation levels required under this Local Hire Program will be determined by OEWD for each Phase under the DDA, and in no event shall be greater than 30%; however, the Parties acknowledge that Developer intends to require each construction contract for

Covered Projects to meet the mandatory participation levels on an individual contract level.

- B. Apprentices: For all construction contracts for Covered Projects, at least 30% of the Project Work Hours performed by Apprentices within each trade is required to be performed by Local Residents, with an aspirational goal of achieving 50%. Hiring preferences shall be given to Apprentices who are referred by the CityBuild program. This document also establishes a goal of no less than 25% of Project Work Hours performed by Apprentices within each trade to be performed by Disadvantaged Workers.
- C. Out-of-State Workers. For all Covered Projects, Project Work Hours performed by residents of states other than California will not be considered in calculation of the number of Project Work Hours to which the local hiring requirements apply. Contractors and Subcontractors shall report to OEWD the number of Project Work Hours performed by residents of states other than California.
- D. Pre-construction or other Local Hire Meeting. Prior to commencement of Construction Work on Covered Projects, Contractor and its Subcontractors whom have been engaged by contract and identified in the Local Hiring Forms as contributing toward the mandatory local hiring requirement shall attend a preconstruction or other Local Hire meeting(s) convened by Developer or Vertical Developer or OEWD staff. Representatives from Contractor and the Subcontractor(s) who attend the pre-construction or other Local Hire meeting must have hiring authority. Contractor and its Subcontractors who are engaged after the commencement of Construction Work on a Covered Project shall attend a future preconstruction meeting or meetings as mutually agreed by Contractor and OEWD staff.
- E. This Local Hiring Plan does not limit Contractor's or its Subcontractors' ability to assess qualifications of prospective workers, and to make final hiring and retention decisions. No provision of this Local Hiring Plan shall be interpreted so as to require a Contractor or Subcontractor to employ a worker not qualified for the position in question, or to employ any particular worker.
- F. Construction Work for Non-Covered Projects will be subject to the First Source Hiring Program for Construction Work in accordance with Section III.C.3 of the Workforce Development Plan.

#### 1.4 CITYBUILD WORKFORCE DEVELOPMENT PROGRAM: EMPLOYMENT NETWORKING SERVICES

- A. OEWD administers the CityBuild Program. Subject to any collective bargaining agreements in the building trades and applicable law, CityBuild shall be a primary resource available for Contractor and Subcontractors to meet Contractors' local hiring requirements under this Local Hiring Plan. CityBuild has two main goals:
  - 1. Assist with local hiring requirements under this Local Hiring Plan by connecting Contractor and Subcontractors with qualified journey-level, Apprentice, and pre-Apprentice Local Residents.



2. Promote training and employment opportunities for disadvantaged workers of all ethnic backgrounds and genders in the construction work force.

B. Where a Contractor's or its Subcontractors' preferred or preexisting hiring or staffing procedures for a Covered Project do not enable Contractor to satisfy the local hiring requirements of this Local Hiring Plan, the Contractor or Subcontractor shall use other procedures to identify and retain Targeted Workers, including the following:

1. Requesting to connect with workers through CityBuild, with qualifications described in the request limited to skills directly related to performance of job duties.
2. Considering Targeted Workers networked through CityBuild within three business days of the request and who meet the qualifications described in the request. Such consideration may include in-person interviews. All workers networked through CityBuild will qualify as Disadvantaged Workers under this Local Hiring Plan. Neither Contractor nor its Subcontractors are required to make an independent determination of whether any worker is a "Disadvantaged Worker" as defined above.

C. **CONDITIONAL WAIVER FROM LOCAL HIRING REQUIREMENTS**

A. Contractor or the Subcontractor may use one or more of the following pipeline and retention compliance mechanisms to receive a conditional waiver from the Local Hiring Requirements of Section 1.3 on a project-specific basis. All requests for conditional waivers must be submitted to OEWD for approval.

1. Specialized Trades: OEWD has published a list of trades designated as "Specialized Trades" for which the local hiring requirements of this Local Hiring Plan will not apply. The list is available on the OEWD website. Contractor and its Subcontractors shall report to OEWD the Project Work Hours utilized in each designated Specialized Trade and in each OEWD-approved project-specific Specialized Trade.
2. Credit for Hiring on Non-Covered Projects: Contractor and its Subcontractors may accumulate credit hours for hiring Targeted Workers on Non-Covered Projects in the nine-county San Francisco Bay Area and apply those credit hours to contracts for Covered Projects to meet the mandatory local hiring requirement. For hours performed by Targeted Workers on Non-Covered Projects, the hours shall be credited toward the local hiring requirement for this Contract provided that:
  - a. the Targeted Workers are paid the prevailing wages or union scale for work on the Non-Covered Projects; and
  - b. such credit hours shall be committed to by the Contractor on future projects to satisfy any short fall the Contractor may have on a Covered Project. Such commitment shall be in writing by the Contractor, shall extend for a period of time negotiated between the contractor and OEWD, and shall commit to satisfying any assessed penalties should Contractor fail to achieve the required credit hours.
3. Sponsoring Apprentices: Contractor or a Subcontractor may agree to sponsor an OEWD-specified number of new Apprentices in trades in which noncompliance is likely and retaining those Apprentices for the period of Contractor's or a Subcontractor's work on the project. OEWD will verify with the California

Department of Industrial Relations that the new Apprentices are registered and active Apprentices. Contractor will be required to write a sponsorship letter on behalf of the identified candidate to the appropriate Local Union and will make the necessary arrangements with the Union to hire the candidate as soon as s/he is indentured.

4. Direct Entry Agreements: OEWD is authorized to negotiate and enter into direct entry agreements with apprenticeship programs that are registered with the California Department of Industrial Relations' Division of Apprenticeship Standards. Contractor may avoid assessment of penalties for non-compliance with this Local Hiring Plan by Contractor or its Subcontractors hiring and retaining Apprentices who are enrolled through such direct entry agreements. Contractor may also utilize OEWD-approved organizations with direct entry agreements with Local Unions, including District 10 based organizations to hire and retain Targeted Workers. To the extent that Contractor or its Subcontractors have hired Apprentices or Targeted Workers under a direct entry agreement entered into by OEWD or reasonably approved by OEWD, OEWD will not assess penalties for non-compliance with this Local Hiring Plan.
5. Corrective Actions: Should local employment conditions be such that adequate Targeted Workers for a craft, or crafts, are not available to meet the requirements and Contractor can document their efforts to achieve the requirements through the mechanisms and processes in this document, a corrective action plan must be negotiated between Contractor and OEWD.

## 1.5 LOCAL HIRING FORMS

- A. Utilizing the City's online Project Reporting System, Contractors for Covered Projects shall submit the following forms, as applicable, to the Contracting City Agency and OEWD:
  1. Form 1: Local Hiring Workforce Projection. OEWD Form 1 (Local Hiring Workforce Projection), a copy of which is attached hereto, shall be initially submitted prior to the start of construction and updated quarterly by the Contractor until all subcontracting is completed.
  2. Form 2: Local Hiring Plan. For Covered Projects estimated to cost more than \$1,000,000, Contractor shall prepare and submit to Contracting City Agency and OEWD for approval a Local Hiring Plan for the project using OEWD Form 2, a copy of which is attached hereto. This Form 2 shall be initially submitted prior to the start of construction and updated quarterly by the Contractor until all subcontracting is completed.
  3. Job Notifications. Upon commencement of work, Contractor and its Subcontractors may submit Job Notifications to CityBuild to connect with local trades workers.
  4. Form 4: Conditional Waivers. If a Contractor or a Subcontractor believes the local hiring requirements cannot be met, it will submit OEWD Form 4 (Conditional Waiver), a copy of which is attached hereto, as more particularly described in Articles 1.4 and 1.5 above.

## 1.6 ENFORCEMENT, RECORD KEEPING, NONCOMPLIANCE AND PENALTIES

- A. Subcontractor Compliance. Each Contractor and Subcontractor shall ensure that all Subcontractors agree to comply with applicable requirements of this document. All Subcontractors agree as a term of participation on the Project that the City shall have third party beneficiary rights under all contracts under which Subcontractors are performing Project Work. Such third party beneficiary rights shall be limited to the right to enforce the requirements of this Local Hiring Plan directly against the Subcontractors. All Subcontractors on the Project shall be responsible for complying with the recordkeeping and reporting requirements set forth in this Local Hiring Plan. Subcontractors with work in excess of the of \$600,000 shall be responsible for ensuring compliance with the Local Hiring Requirements set forth in Section 1.3 of this Local Hiring Plan based on Project Work Hours performed under their Subcontracts, including Project Work Hours performed by lower tier Subcontractors with work less than the Threshold Amount.
- B. Reporting. Contractor shall submit certified payrolls to the City electronically using the Project Reporting System. OEWD and will monitor compliance with this Local Hiring Plan electronically.
- C. Recordkeeping. Contractor and each Subcontractor shall keep, or cause to be kept, for a period of four years from the date of Substantial Completion of Construction Work, certified payroll and basic records, including time cards, tax forms, and superintendent and foreman daily logs, for all workers within each trade performing work on a Covered Project.
1. Such records shall include the name, address and social security number of each worker who worked on the covered project, his or her classification, a general description of the work each worker performed each day, the Apprentice or journey-level status of each worker, daily and weekly number of hours worked, the self-identified race, gender, and ethnicity of each worker, whether or not the worker was a Local Resident, and the referral source or method through which the contractor or subcontractor hired or retained that worker for work on the Covered Project (e.g., core workforce, name call, union hiring hall, City-designated referral source, or recruitment or hiring method) as allowed by law.
  2. Contractor and Subcontractors may verify that a worker is a Local Resident by following OEWD's domicile policy.
  3. All records described in this subsection shall at all times be open to inspection and examination by the duly authorized officers and agents of the City, including representatives of the OEWD.
- D. Monitoring. From time to time and in its sole discretion, OEWD may monitor and investigate compliance of Contractor and Subcontractors working on a Covered Project with requirements of this Local Hiring Plan. Contractor shall allow representatives of OEWD, in the performance of their duties, to engage in random inspections of Covered Projects. Contractor and all Subcontractors shall also allow representatives of OEWD to have access to employees of the Contractor and Subcontractors and the records required to be maintained under this document.
- E. Noncompliance and Penalties. Failure of Contractor and/or its Subcontractors to comply with the requirements of this document and the obligations set forth in this Local Hiring Plan may subject Contractor to the consequences of noncompliance, including but not

limited to the assessment of penalties, but only if City determines that the failure to comply results from willful actions of Contractor and/or its Subcontractors, and not by reason of unavailability of sufficient qualified Local Residents and Disadvantaged Workers to meet the goals required hereunder. The assessment of penalties for noncompliance shall not preclude the City from exercising any other rights or remedies to which it is entitled.

1. **Penalties Amount.** If any Contractor or Subcontractor fails to satisfy the Local Hiring Requirements of this Local Hiring Plan applicable to Project Work Hours performed by Local Residents, and the applicable Contractor or Subcontractor is unable to provide evidence reasonably satisfactory to the City that such failure arose solely due to unavailability of qualified Local Residents despite Contractors or Subcontractors good faith efforts in accordance with this Local Hiring Program, then the Contractor, and in the case of any Subcontractor so failing, and Subcontractor shall jointly and severally forfeit to the City, an amount equal to the Journeyman or Apprentice prevailing wage rate, as applicable, with such wage as established by the Board of Supervisors or the California Department of Industrial Relations under subsection 6.22(e)(3) of the Administrative Code, for the primary trade used by the Contractor or Subcontractor on the Covered Project for each hour by which the Contractor or Subcontractor fell short of the Local Hiring Requirement. The assessment of penalties under this subsection shall not preclude the City from exercising any other rights or remedies to which it is entitled.
2. **Assessment of Penalties.** OEWD shall determine whether a Contractor and/or any Subcontractor has failed to comply with the Local Hire Requirement. If after conducting an investigation, OEWD determines that a violation has occurred, it shall issue and serve an assessment of penalties to the Contractor and/or any Subcontractor that sets forth the basis of the assessment and orders payment of penalties in the amounts equal to the Journeyman or Apprentice prevailing wage rates, as applicable, for the primary trade used by the Contractor or Subcontractor on the Project for each hour by which the Contractor or Subcontractor fell short of the Local Hiring Requirement. Assessment of penalties under this subsection shall be made only upon an investigation by OEWD and upon written notice to the Contractor or Subcontractor identifying the grounds for the penalty and providing the Contractor or Subcontractor with the opportunity to respond pursuant to the recourse procedures prescribed in this Local Hiring Plan.
3. **Recourse Procedure.** If the Contractor or Subcontractor disagrees with the assessment of penalties, then the following procedure applies:
  - a. The Contractor or Subcontractor may request a hearing in writing within 15 days of the date of the final notification of assessment. The request shall be directed to the City Controller. Failure by the Contractor or Subcontractor to submit a timely, written request for a hearing shall constitute concession to the assessment and the forfeiture shall be deemed final upon expiration of the 15-day period. The Contractor or Subcontractor must exhaust this administrative remedy prior to commencing further legal action.
  - b. Within 15 days of receiving a proper request, the Controller shall appoint a hearing officer with knowledge and not less than five years' experience in

labor law, and shall so advise the enforcing official and the Contractor or Subcontractor, and/or their respective counsel or authorized representative.

- c. The hearing officer shall promptly set a date for a hearing. The hearing must commence within 45 days of the notification of the appointment of the hearing officer and conclude within 75 days of such notification unless all parties agree to an extended period.
- d. Within 30 days of the conclusion of the hearing, the hearing officer shall issue a written decision affirming, modifying, or dismissing the assessment. The decision of the hearing officer shall consist of findings and a determination. The hearing officer's findings and determination shall be final.
- e. The Contractor or Subcontractor may appeal a final determination under this by filing in the San Francisco Superior Court a petition for a writ of mandate under California Code of Civil Procedure Section 1084 *et seq.*, as applicable and as may be amended from time to time.

#### 1.8 COLLECTIVE BARGAINING AGREEMENT

Nothing in this Local Hiring Plan shall be interpreted to prohibit the continuation of existing workforce training agreements or to interfere with consent decrees, collective bargaining agreements, project labor agreements or existing employment contracts (Collective Bargaining Agreements"). In the event of a conflict between this Local Hiring Plan and a Collective Bargaining Agreement, the terms of the Collective Bargaining Agreement shall supersede this Local Hiring Plan.

END OF DOCUMENT



CITY AND COUNTY OF SAN FRANCISCO  
 OFFICE OF ECONOMIC AND WORKFORCE DEVELOPMENT  
 CITYBUILD PROGRAM



LOCAL HIRING PROGRAM  
 OEWD FORM 1  
 CONSTRUCTION CONTRACTS

**FORM 1: LOCAL HIRING WORKFORCE PROJECTION**

Contractor: \_\_\_\_\_ Project Name: \_\_\_\_\_ Contract #: \_\_\_\_\_

The Contractor must complete and submit this *Local Hiring Workforce Projection* (Form 1) prior to the start of construction and quarterly until all subcontracting is complete. The Contractor must include information regarding all of its Subcontractors who will perform construction work on the project regardless of Tier and Value Amount.

**Will you be able to meet the mandatory Local Hiring Requirements?**

- YES (Please provide information for all contractors performing construction work in Table 1 below.)
- NO (Please complete Table 1 below and Form 4: Conditional Waivers.)

**INSTRUCTIONS FOR COMPLETING TABLE 1:**

1. Please organize the contractors' information based on their Trade Craft work.
2. For contractors performing work in various Trade Craft, please list contractor name in each Trade Craft (i.e. if Contractor X will perform two trades, list Contractor X under two Trade categories.)
3. If you anticipate utilizing Apprentices on this project, please note the requirement that 30% of Apprentice hours must be performed by San Francisco residents.
4. Additional blank form is available at our Website: [www.workforcedevelopsf.org](http://www.workforcedevelopsf.org). For assistance or questions in completing this form, contact (415) 701-4894 or Email @ [Local.hire.ordinance@sfgov.org](mailto:Local.hire.ordinance@sfgov.org).

**TABLE 1: WORKFORCE PROJECTION**

Trade Craft	Contractor <i>List contractors by Trade Craft</i>		Est. Total Work Hours	Est. Total Local Work Hours	Est. Total Local Work Hours %
<i>Example:</i> Laborer	<i>Contractor X</i>	<b>Journey</b>	800	250	31%
		<b>Apprentice</b>	200	100	50%
<i>Example:</i> Laborer	<i>Contractor Y</i>	<b>Journey</b>	500	100	20%
		<b>Apprentice</b>	0	0	0
<i>Example:</i>	<b>TOTAL LABORER</b>	<b>Journey</b>	1300	350	<b>27%</b>
		<b>Apprentice</b>	200	100	<b>50%</b>
<i>Example:</i>	<b>TOTAL</b>		<b>1500</b>	<b>450</b>	<b>30%</b>
		<b>Journey</b>			
		<b>Apprentice</b>			
		<b>Journey</b>			
		<b>Apprentice</b>			
		<b>Journey</b>			
		<b>Apprentice</b>			

**DISCLAIMER:** If the Total Work Hours for a Trade Craft are less than 5% of the Total Project Work Hours, the Trade Craft is exempt from the Mandatory Requirement. Subsequently, if the Trade Craft exceeds 5% of the Total Project Work Hours at any time during the project, the Trade Craft is subject to the Mandatory Requirement.

\_\_\_\_\_  
 Name of Authorized Representative                      Signature                      Date                      Phone                      Email



CITY AND COUNTY OF SAN FRANCISCO  
OFFICE OF ECONOMIC AND WORKFORCE DEVELOPMENT  
CITYBUILD PROGRAM



LOCAL HIRING PROGRAM  
OEWD FORM 2  
CONSTRUCTION CONTRACTS

**FORM 2: LOCAL HIRING PLAN**

Contractor: \_\_\_\_\_ Project Name: \_\_\_\_\_ Contract #: \_\_\_\_\_

If the Estimate for this Project exceeds **\$1 million**, then Contractor must submit a Local Hiring Plan using this Form 2 through the City's Project Reporting System. Form 2 shall be initially submitted prior to the start of construction and include all known subcontractors. Contractor shall update this Form 2 quarterly as subcontractors are identified and shall continue with updates until all subcontracting is complete. The OEWD-approved Local Hiring Plan will be a Contract Document and will be the basis for determining Contractor's and its Subcontractors' compliance with the local hiring requirements. Any OEWD-approved Conditional Waivers (Form 4) will be incorporated into the OEWD-approved Local Hiring Plan.

**COMPLETE AND SUBMIT A SEPARATE FORM 2 FOR EACH TRADE THAT WILL BE UTILIZED ON THIS PROJECT.**

**INSTRUCTIONS:**

1. Please complete tables below for Contractor and all Subcontractors that will be contributing Project Work Hours to meet the Local Hiring Requirement.
2. Please note that a Form 2 will need to be developed and approved separately for each trade craft that will be utilized on this project.
3. If you anticipate utilizing apprentices on this project, please note the requirement that 30% of apprentice hours must be performed by San Francisco residents.
4. The Contractor and each Subcontractor identified in the Local Hiring Plan must sign this form before it will be considered for approval by OEWD.
5. If applicable, please attach all OEWD-approved Form 4 Conditional Waivers.
6. Additional blank form is available at our Website: [www.workforcedevelopsf.org](http://www.workforcedevelopsf.org). For assistance or questions in completing this form, contact (415) 701-4894 or Email @ [Local.hire.ordinance@sfgov.org](mailto:Local.hire.ordinance@sfgov.org).

*List Trade Craft. Add numerical values from Form 1: Local Hiring Workforce Projection and input in the table below.*

Trade Craft	Total Work Hours	Total Local Work Hours	Local Work Hours%	Total Apprentice Work Hours	Total Local Apprentice Work Hours	Local Apprentice Work Hours %
<i>Example: Laborer</i>	1500	450	30%	200	100	50%

*List all contractors contributing to the project work hours to meet the Local Hiring Requirements for the above Trade Craft*

Contractor and Authorized Representative	Local Journey Hours	Local Apprentice Hours	Total Local Work Hours	Start Date	Number of Working Days	*Contractor Signature
Contractor X Joe Smith	250	100	350	3/25/13	60	Joe Smith
Contractor Y Michael Lee	100	0	100	5/25/13	30	Michael Lee

**\*We the undersigned, have reviewed Form 2 and agree to deliver the hours set forth in this document.**

City Use Only	
OEWD Approval	<input type="checkbox"/> Yes <input type="checkbox"/> No
Signature and Date:	



CITY AND COUNTY OF SAN FRANCISCO  
 OFFICE OF ECONOMIC AND WORKFORCE DEVELOPMENT  
 CITYBUILD PROGRAM



LOCAL HIRING PROGRAM  
 OEWD FORM 4  
 CONSTRUCTION CONTRACTS

**FORM 4: CONDITIONAL WAIVERS**

**Contractor:** \_\_\_\_\_ **Project Name:** \_\_\_\_\_ **Contract #:** \_\_\_\_\_

Upon approval from OEWD, Contractors and Subcontractors may use one or more of the following pipeline and retention compliance mechanisms to receive a Conditional Waiver from the Local Hiring Requirements on a project-specific basis. Conditional Waivers must be approved by OEWD. If applicable, each subcontractor must submit their individual Waiver request to OEWD and copy their Prime Contractor. This form can be submitted at any time.

<b>TRADE WAIVER INFORMATION:</b> Please provide information on the Trades you are requesting Waivers for:					
Laborer Trade Craft	Est. Total Work Hours	Projected Deficient Local Work Hours	Laborer Trade Craft	Est. Total Work Hours	Projected Deficient Local Work Hours
1.			3.		
2.			4.		

Please check any of the following Conditional Waivers and complete the appropriate boxes for approval:

1. SPECIALIZED TRADES     2. SPONSORING APPRENTICES     3. CREDIT FOR NON-COVERED PROJECTS

**1. SPECIALIZED TRADES:** Will your firm be requesting Conditional Waivers for "Specialized Trades" designated by OEWD and listed on OEWD's website or project-specific Specialized Trades approved by OEWD during the bid period?  Yes     No

*Please CHECK off the following Specialized Trades you are claiming for Condition Waiver:*

MARINE PILE DRIVER     HELICOPTER, CRANE, OR DERRICK BARGE OPERATOR     IRONWORKER CONNECTOR  
 STAINLESS STEEL WELDER     TUNNEL OPERATING ENGINEER     ELECTRICAL UTILITY LINEMAN     MILLWRIGHT  
 TRADE CRAFT IS LESS THAN 5% OF TOTAL WORK HOURS. **LIST:**

a. List OEWD-approved project-specific Specialized Trades approved during the bid period: \_\_\_\_\_

**OEWD APPROVAL:**  Yes  No    **OEWD Signature:** \_\_\_\_\_

**2. SPONSORING APPRENTICES:** Will you be able to work with OEWD to sponsor an OEWD-specified number of new apprentices in the agreeable trades into California Department of Industrial Relations' Division of Apprenticeship Standards approved apprenticeship programs?  Yes     No

PLEASE PROVIDE DETAILS:	Est. # of Sponsor Positions	Union (Yes / No)	If Yes, Local #	Est. Start Date	Est Duration of Working Days	Est Total Work Hours Performed
Construction Trade		Y <input type="checkbox"/> N <input type="checkbox"/>				
		Y <input type="checkbox"/> N <input type="checkbox"/>				

**OEWD APPROVAL:**  Yes  No    **OEWD Signature:** \_\_\_\_\_

**3. CREDIT for HIRING on NON-COVERED PROJECTS:** If your firm cannot meet the mandatory local hiring requirement, will you be requesting credit for hiring Targeted Workers on Non-covered Projects?  Yes     No

PLEASE PROVIDE DETAILS:	Est. # of Off-site Hires	Est Total Work Hours Performed	Offsite Project Name	Project Address
Labor Trade, Position, or Title				
Journey				
Apprentice				

**OEWD APPROVAL:**  Yes  No    **OEWD Signature:** \_\_\_\_\_



**Attachment C**

**LBE Utilization Plan**

[see attached]

## WORKFORCE DEVELOPMENT PLAN

### ATTACHMENT C - LBE UTILIZATION PLAN

1. Purpose and Scope. This Attachment C ("**LBE Utilization Plan**") governs the Local Business Enterprise obligations of the Project pursuant to San Francisco Administrative Code Section 14B.20 and satisfies the obligations of each Project Sponsor and its Contractors and Consultants for a LBE Utilization Plan as set forth therein. Capitalized terms not defined herein shall have the meanings ascribed to them in the Workforce Plan or Section 14B.20 as applicable. The Port and Developer will seek to, whenever practicable, conduct outreach to contracting teams that reflect the diversity of the City and include participation of both businesses and residents from the City's most disadvantaged communities such as the 94107, 94124, and 94134 zip codes. In the event of any conflict between Administrative Code Chapter 14B and this Attachment, this Attachment shall govern.
2. Roles of Parties. In connection with the design and construction phases of all Construction Work (as defined in the Workforce Plan), the Project will provide community benefits designed to foster employment opportunities for disadvantaged individuals by offering contracting and consulting opportunities to local business enterprises ("LBEs"). Developer and each Vertical Developer shall participate in a local business enterprise program, and the City's Contract Monitoring Division will serve the roles as set forth below.
3. Definitions. For purposes of this Attachment, the definitions shall be as follows:
  - a. "CMD" shall mean the Contract Monitoring Division of the City Administrator's Office.
  - b. "Commercially Useful Function" shall mean that the business is directly responsible for providing the materials, equipment, supplies or services to the Contracting Party as required by the solicitation or request for quotes, bids or proposals. Businesses that engage in the business of providing brokerage, referral or temporary employment services shall not be deemed to perform a "commercially useful function" unless the brokerage, referral or temporary employment services are those required and sought by the Contracting Party.
  - c. "Consultant" shall mean a person or company that has entered into a professional services contract for monetary consideration with a Project Sponsor to provide advice or services to the Project Sponsor directly related to the architectural or landscape design, physical planning, and/or civil, structural or environmental engineering of an LBE Improvement.
  - d. "Contract(s)" shall mean an agreement, whether a direct contract or subcontract, for Consultant or Contractor services for all or a portion of an LBE Improvement.
  - e. "Contracting Party" means a Project Sponsor, Contractor or Consultant retained to work on LBE Improvements, as the case may be.
  - f. "Contractor" shall mean a prime contractor, general contractor, or construction manager contracted by a Developer or Vertical Developer who performs construction work on an LBE Improvement.

- g. "Follow-on Tenant Improvements" means tenant improvements within commercial spaces in residential or commercial buildings (office, retail) that are constructed pursuant to an approved building permit or site permit/addenda issued after the building permit or site permit/addenda for the Initial Tenant Improvements.
- h. "Good Faith Efforts" shall mean procedural steps taken by the Project Sponsor, Contractor or Consultant with respect to the attainment of the LBE participation goals, as set forth in Section 7 below.
- i. "Initial Tenant Improvements" means tenant improvements within commercial spaces in residential or commercial buildings (office, retail) that are constructed pursuant to the first building permit or site permit/addenda issued for such spaces after completion of building core and shell.
- j. "Local Business Enterprise" or "LBE" means a business that is certified as an LBE under Chapter 14B.3.
- k. "LBE Liaison" shall mean the Project Sponsor's primary point of contact with CMD regarding the obligations of this LBE Utilization Plan. Each prime Contractor(s) shall likewise have a LBE Liaison.
- l. "LBE Improvements" means, as applicable, (a) all Horizontal Improvements required or permitted to be made to the 28-Acre Site to be carried out by Developer under the DDA and (b) Workforce Buildings.
- m. "Project Sponsor" shall mean the Developer of Horizontal Improvements or the Vertical Developer under a Vertical DDA.
- n. "Subconsultant" shall mean a person or entity that has a direct Contract with a Consultant to perform a portion of the work under a Contract for an LBE Improvement.
- o. "Subcontractor" shall mean a person or entity that has a direct Contract with a Contractor to perform a portion of the work under a Contract for Construction Work.
- p. "Workforce Buildings" means the following: (i) residential buildings, including associated residential units, common space, amenities, parking and back of house construction; (ii) commercial office, retail, parking buildings core & shell; (iii) tenant improvement for all commercial spaces in residential or commercial buildings (office, retail) which are 15,000 square feet (per square footage on building permit application) and above; and (iv) all construction related to standalone affordable housing buildings. Workforce Buildings shall expressly exclude: (i) residential owner-contracted improvements in for-sale residential units; (ii) tenant improvements for the Arts Building (E4), including core and shell and tenant improvements; and (iii) tenant improvements related to PDR spaces. Developer will use good faith efforts to hire LBEs for ongoing service contracts (e.g. maintenance, janitorial, landscaping, security etc.) within Workforce Buildings and advertise such contracting opportunities with CMD except to the extent impractical or infeasible. If a master association is responsible for the operation and maintenance of publicly owned improvements within the Project Site, CMD shall refer LBEs to such association for consideration with regard to contracting opportunities for such

improvements. Such association will consider, in good faith such LBE referrals, but hiring decisions shall be entirely at the discretion of such association.

4. LBE Participation Goal. Project Sponsor agrees to participate in this LBE Utilization Plan and CMD agrees to work with Project Sponsor in this effort, as set forth in this Attachment C. As long as this Attachment C remains in full force and effect, each Project Sponsor shall make good faith efforts as defined below to achieve an overall LBE participation goal of 17% of the total cost of all Contracts for an LBE Improvement awarded to LBE Contractors, Subcontractors, Consultants or Subconsultants that are Small and Micro-LBEs, as set forth in Administrative Code Section 14B.8(A); Follow-on Tenant Improvements and services are not included in the numerical goal. Notwithstanding the foregoing, CMD's Director may, in his or her discretion, provide for a downward adjustment of the LBE participation requirement, depending on LBE participation data presented by the Project Sponsor and its team in quarterly and annual reports and meetings. Where, based on reasonable evidence presented to the Director by a party attempting to achieve the LBE Participation goals, that there are not sufficient qualified Small and Micro-LBEs available, the Director may authorize the applicable party to satisfy the LBE participation goal through the use of Small, Micro or SBA-LBEs (as each such term is defined is employed in Chapter 14B of the Administrative Code), or may set separate subcontractor participation requirements for Small and Micro- LBEs, and for SBA-LBEs.

6. Project Sponsor Obligations. For each LBE Improvement, the Project Sponsor shall comply with the requirements of this Attachment C as follows: Upon entering into a Contract with a Contractor or Consultant, each Project Sponsor will include each such Contract a provision requiring the Contractor or Consultant to comply with the terms of this Attachment C, and setting forth the applicable percentage goal for such Contract, and provide a signed copy thereof to CMD within 10 business days of execution. Such Contract shall specify the notice information for the Contractor or Consultant to receive notice pursuant to Section 17. Each Project Sponsor shall identify a "LBE Liaison" as its main point of contact for outreach/compliance concerns. The LBE Liaison shall be a LBE Consultant with the experience in and responsible for making recommendations on how to maximize engagement of local small businesses/LBEs from disadvantaged communities including the 94124, 94134 and 94107 zip codes.

The LBE Liaison shall be available to meet with CMD staff on a regular basis or as necessary regarding the implementation of this Attachment C. For the term of the DDA or VDDA as applicable, at least once per year, each Project Sponsor and the Port shall hold a public workshop for applicable contractor communities to publicize anticipated contracting opportunities for LBE Improvements for the succeeding year, which workshops may be held independently or in conjunction with each other; provided, that the Port's obligations hereunder shall be limited to contracting opportunities relating to operations and maintenance of publicly-owned improvements within the 28-Acre Site. Each Project Sponsor will use good faith efforts to hire Small, Micro or SBA-LBEs for ongoing service contracts including janitorial, security and parking management contracts and advertise these contracting opportunities with the CMD except to the extent impractical or infeasible (e.g., a parking management contract cannot be broken down to allow two parking operators). Each project sponsor agrees to utilize a "subguard" policy or other means (i.e., OCIP or CCIP) to provide bonding capacity or assistance for LBEs working on the Project at the developer or contractor's option, should the firm be required to bond.

If a Project Sponsor fulfills its obligations as set forth in this Section 6 and otherwise cooperates in good faith at CMD's request with respect to any meet and confer process or enforcement action against a non-compliant Contractor, Consultant, Subcontractor or Subconsultant, then it shall not be held responsible for the failure of a Contractor, Consultant, Subcontractor or Subconsultant or any other person or party to comply with the requirements of this Attachment C.

7. Good Faith Efforts. City acknowledges and agrees that each Project Sponsor, Contractor, Subcontractor, Consultant and Subconsultant shall have the sole discretion to qualify, hire or not hire LBEs. If a Contractor or Consultant does not meet the LBE hiring goal set forth above, it will nonetheless be deemed to satisfy the good faith effort obligation of this Section 7 and thereby satisfy the requirements and obligations of this Attachment C if the Contractor, Consultants and their Subcontractors and Subconsultants, as applicable, perform the good faith efforts set forth in this Section 7 as follows:

a. Advance Notice. Notify CMD in writing of all upcoming solicitations of proposals for work under a Contract at least 15 business days before issuing such solicitations to allow opportunity for CMD to identify and outreach to any LBEs that it reasonably deems may be qualified for the Contract scope of work.

b. Contract Size. Where practicable, the Project Sponsor, Contractor, Consultant, Subcontractor or Subconsultant, in their sole discretion, may divide the work in order to encourage maximum LBE participation or, encourage joint venturing. The Contracting Party will identify specific items of each Contract that may be performed by Subcontractors.

c. Advertise. The Project Sponsor, Contractor, Consultant, Subcontractor or Subconsultant may advertise for professional services and contracting opportunities in media focused on small businesses including the Bid and Contract Opportunities website through the City's Office of Contract Administration (<http://mission.sfgov.org/OCABidPublication>) and other local and trade publications, and allowing subcontractors to attend outreach events, pre-bid meetings, and inviting LBEs to submit bids to Project Sponsor or its prime Contractor or Consultant, as applicable. As Contractor deems necessary, convene pre-bid or pre-solicitation meetings no less than 15 days prior to the opening of bids and proposals for LBEs to ask questions about the selection process and technical specifications/requirements.

d. CMD Invitation. If a pre-bid meeting or other similar meeting is held with proposed Contractors, Subcontractors, Consultants or Subconsultants, invite CMD to the meeting to allow CMD to explain proper LBE utilization.

e. Public Solicitation. The Project Sponsor or its prime Contractor(s) and/or Consultants, as applicable, will work with CMD to follow up on initial solicitations of interest by contacting LBEs to determine with certainty whether they are interested in performing specific items in a project.

f. Outreach and Other Assistance. The Project Sponsor or its prime Contractor (s) and/or Consultants, as applicable, will a) provide LBEs with plans, specifications and requirements for all or part of the project; b) notify LBE trade associations that disseminate bid and contract

information and provide technical assistance to LBEs. The designated LBE Liaison(s) will work with CMD to conduct outreach to LBEs for all consulting/contracting opportunities in the applicable trades and services in order to encourage them to participate on the project.

g. **Contacts.** Make contacts with LBEs, associations or development centers, or any agencies, which disseminate bid and contract information to LBEs and document any other efforts undertaken to encourage participation by LBEs.

h. **Good Faith/Nondiscrimination.** Make good faith efforts to enter into Contracts with LBEs and give good faith consideration to bids and proposals submitted by LBEs. Use nondiscriminatory selection criteria (for the purpose of clarity, exercise of subjective aesthetic taste in selection decisions for architect and other design professionals shall not be deemed discriminatory and the exercise of its commercially reasonable judgment in all hiring decisions shall not be deemed discriminatory).

i. **Incorporation into contract provisions.** Project Sponsor shall include in Contracts provisions that require prospective Contractors and Consultants that will be utilizing Subcontractors or Subconsultants to follow the above good faith efforts to subcontract to LBEs, including the overall LBE participation goal and any LBE percentage that may be required under such Contract (Note: Developer/applicable tenants shall follow this programs Good Faith Efforts for Follow-on Tenant Improvements and services, but such work is not subject to the numerical LBE goal).

j. **Monitoring.** Allow CMD Contract Compliance unit to monitor Consultant/Contractor selection processes and, when necessary give suggestions as to how best to maximize LBEs ability to complete and win procurement opportunities.

k. **Maintain Records and Cooperation.** Maintain records of LBEs that are awarded Contracts, not discriminate against any LBEs, and, if requested, meet and confer with CMD as reasonably required in addition to the meet and confer sessions described in Section 10 below to identify a strategy to meet the LBE goal;

l. **Quarterly and Annual Reports.** During construction, the LBE Liaison(s) shall prepare a quarterly and annual report of LBE participation goal attainment and submit to CMD as required by Section 10 herein; and

m. **Meet and Confer.** Attend the meet and confer process described in Section 10.

8. **Good Faith Outreach.** Good faith efforts shall be deemed satisfied solely by compliance with Section 7. Contractors and Consultants, and Subcontractors and Subconsultants as applicable shall also work with CMD to identify from CMD's database of LBEs those LBEs who are most likely to be qualified for each identified opportunity under Section 7.a, and following CMD's notice under Section 9.a, shall undertake reasonable efforts at CMD's request to support CMD's outreach identified LBEs as mutually agreed upon by CMD and each Contractor or Consultant and its Subcontractors and Subconsultants, as applicable.

9. **CMD Obligations.** The following are obligations of CMD to implement this LBE Utilization Plan:

- a. During the fifteen (15) business day notification period for upcoming Contracts required by Section 7.a, CMD will work with the Project Sponsor and its Contractor and/or Consultant as applicable to send such notification to qualified LBEs to alert them to upcoming Contracts.
- b. Provide assistance to Contractors, Subcontractors, Consultants and Subconsultants on good faith outreach to LBEs.
- c. Review quarterly reports of LBE participation goals; when necessary give suggestions as to how best to maximize LBEs ability to compete and win procurement opportunities.
- d. Perform other tasks as reasonably required to assist the Project Sponsor and its Contractors, Subcontractors, Consultants and Subconsultants in meeting LBE participation goals and/or satisfying good faith efforts requirements.
- e. Insurance and Bonding. Recognizing that lines of credit, insurance and bonding are problems common to local businesses, CMD staff will be available to explain the applicable insurance and bonding requirements, answer questions about them, and, if possible, suggest governmental or third party avenues of assistance.

10. Meet and Confer Process. Commencing with the first Contract that is executed for an LBE Improvement, and every six (6) months thereafter, or more frequently if requested by either CMD, Project Sponsor or a Contractor or Consultant and the CMD shall engage in an informal meet and confer to assess compliance of such Contractor and Consultants and its Subcontractors and Subconsultants as applicable with this Attachment C. When deficiencies are noted, meet and confer with CMD to ascertain and execute plans to increase LBE participation.

11. Prohibition on Discrimination. Project Sponsors shall not discriminate in its selection of Contractors and Consultants, and such Contractors and Consultants shall not discriminate in their selection of Subcontractors and Subconsultants against any person on the basis of race, gender, or any other basis prohibited by law. As part of its efforts to avoid unlawful discrimination in the selection of Subconsultants and Subcontractors, Contractors and Consultants will undertake the Good Faith Efforts and participate in the meet and confer processes as set forth in Sections 7 and 10 above.

12. Collective Bargaining Agreements. Nothing in this Attachment C shall be interpreted to prohibit the continuation of existing workforce training agreements or to interfere with consent decrees, collective bargaining agreements, project labor agreement, project stabilization agreement, existing employment contract or other labor agreement or labor contract ("Collective Bargaining Agreements"). In the event of a conflict between this Attachment C and a Collective Bargaining Agreement, the terms of the Collective Bargaining Agreement shall supersede this Attachment C.

13. Reporting and Monitoring. Each Contractor, Consultant, and its Subcontractors and Subconsultants as applicable shall maintain accurate records demonstrating compliance with the LBE participation goals, including keeping track of the date that each response, proposal or bid that was received from LBEs, including the amount bid by and the amount to be paid (if different) to the non-LBE contractor that was selected, documentation of any efforts regarding

good faith efforts as set forth in Section 7. Project Sponsors shall create a reporting method for tracking LBE participation. Data tracked shall include the following (at a minimum):

- a. Name/Type of Contract(s) let (e.g. civil engineering contract, environmental consulting, etc.)
- b. Name of Contractors (including identifying which are LBEs and non-LBEs)
- c. Name of Subcontractors (including identifying which are LBEs and non-LBEs)
- d. Scope of work performed by LBEs (e.g. under an architect, an LBE could be procured to provide renderings)
- e. Dollar amounts associated with both LBE and non-LBE Contractors at both prime and Subcontractor levels.
- f. Total LBE participation is defined as a percentage of total Contract dollars.
- g. Outcomes with respect to Developer's efforts to engage (hire) local small businesses/LBEs from disadvantaged communities including the 94124, 94134 and 94107 zip codes.

14. Written Notice of Deficiencies. If based on complaint, failure to report, or other cause, the CMD has reason to question the good faith efforts of a Project Sponsor, Contractor, Subcontractor, Consultant or Subconsultant, then CMD shall provide written notice to the Project Sponsor, each affected Contractor or Consultant and, if applicable, also to its Subcontractor or Subconsultant. The Contractor or Consultant and, if applicable, the Subcontractor or Subconsultant, shall have a reasonable period, based on the facts and circumstances of each case, to demonstrate to the reasonable satisfaction of the CMD that it has exercised good faith to satisfy its obligations under this Attachment C. When deficiencies are noted CMD staff will work with the appropriate LBE Liaison(s) to remedy such deficiencies.

15. Remedies. Notwithstanding anything to the contrary in the Development Agreement, the following process and remedies shall apply with respect to any alleged violation of this Attachment C:

Mediation and conciliation shall be the administrative procedure of first resort for any and all compliance disputes arising under this Attachment C. The Director of CMD shall have power to oversee and to conduct the mediation and conciliation.

Non-binding arbitration shall be the administrative procedure of second resort utilized by CMD for resolving the issue of whether a Project Sponsor, Contractor, Consultant, Subcontractor or Subconsultant discriminated in the award of one or more LBE Contracts to the extent that such issue is not resolved through the mediation and conciliation procedure described above. Obtaining a final judgment through arbitration on LBE contract related disputes shall be a condition precedent to the ability of the City or the Project Sponsor, Contractor, Consultant, Subcontractor or Subconsultant to file a request for judicial relief.



If a Project Sponsor, Contractor, Consultant, Subcontractor or Subconsultant is found to be in willful breach of the obligations set forth in this Attachment C, assess against the noncompliant Project Sponsor, Contractor, Consultant, Subcontractor or Subconsultant liquidated damages not to exceed \$25,000 or 5% of the Contract, whichever is less, for each such willful breach. In determining the amount of any liquidated damages to be assessed within the limits described above, the arbitrator or court of competent jurisdiction shall consider the financial capacity of the Project Sponsor, Contractor, Consultant, Subcontractor or Subconsultant. For purposes of this paragraph, "willful breach" means a knowing and intentional breach.

For all other violations of this Attachment C, the sole remedy for violation shall be specific performance, without the limits with respect thereto in Section 9.3 of the Development Agreement.

16. Duration of this Agreement. This Attachment C shall terminate (i) as to each work of Horizontal Improvement where work has commenced under the DDA, upon issuance of a SOP Compliance Determination for the applicable Horizontal Improvement; and (ii) as to each Workforce Building where work has commenced under the applicable Vertical DDA, upon issuance of a SOP Compliance Determination for the applicable Vertical Improvements thereunder; (iii) as to all Initial Tenant Improvements and Follow-on Tenant Improvements, ten (10) years after issuance of the first Temporary Certificate of Occupancy for the Vertical Improvements in which the Initial Tenant Improvements or Follow-on Tenant Improvements are located, and (v) for any Horizontal Improvements or Workforce Building that has not commenced before the termination of the Development Agreement, upon the termination of the Development Agreement. Upon such termination, this Attachment C shall be of no further force and effect.

17. Notice. All notices to be given under this Attachment C shall be in writing and sent by: certified mail, return receipt requested, in which case notice shall be deemed delivered three (3) business days after deposit, postage prepaid in the United States Mail, a nationally recognized overnight courier, in which case notice shall be deemed delivered one (1) business day after deposit with that courier, or hand delivery, in which case notice shall be deemed delivered on the date received, all as follows:

If to CMD:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attn: \_\_\_\_\_

If to Project Sponsor:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attn: \_\_\_\_\_

If to Contractor:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attn: \_\_\_\_\_

If to Consultant:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attn: \_\_\_\_\_

Any party may change its address for notice purposes by giving the other parties notice of its new address as provided herein. A "business day" is any day other than a Saturday, Sunday or a day in which banks in San Francisco, California are authorized to close.

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## Attachment D

### **Dispute Resolution**

#### **1. *Arbitration***

Any dispute involving the alleged breach or enforcement of this Workforce Development Plan (excluding disputes relating to the First Source Hiring Agreement and the applicable City ordinances, which shall be resolved in accordance with their respective terms) shall be submitted to arbitration in accordance with this **Attachment D**.

The arbitration shall be submitted to the American Arbitration Association, San Francisco, California office (“*AAA*”) which will use the Commercial Rules of the AAA then applicable, but subject to the further revisions thereof. If there is a conflict between the Commercial Rules of the AAA and the arbitration provisions in this Attachment D, the arbitration provisions of this Attachment D shall govern. The arbitration shall take place in the City and County of San Francisco.

#### **2. *Demand for Arbitration***

The party seeking arbitration shall make a written demand for arbitration (“*Demand for Arbitration*”) in accordance with the notice procedures of Appendix Pt. A, Section 5 (Notices). The Demand for Arbitration shall contain at a minimum: (1) a cover letter demanding arbitration under this provision and identifying the entities believed to be involved in the dispute; (2) a copy of the notice of default, if any, sent from one party to the other; (3) any written response to the notice of default; and (4) a brief statement of the nature of the alleged default.

#### **3. *Parties’ Participation***

All persons or entities affected by the dispute (including, as applicable, OEWD, the Port, Developer, Vertical Developers, Construction Contractor (and subcontractor) and Permanent Employer) and shall be made Arbitration Parties. Any such person or entity not made an Arbitration Party in the Demand for Arbitration may intervene as an Arbitration Party and in turn may name any other such affected person or entity as an Arbitration Party; provided that, upon request by any party, the arbiter may dismiss such party if it is not reasonably affected by the dispute.

#### **4. *OEWD Request to AAA***

Within seven (7) business days after service or receipt of a Demand for Arbitration, OEWD shall transmit to AAA a copy of the Demand for Arbitration and any written response thereto from an Arbitration Party. Such material shall be made part of the arbitration record.

#### **5. *Selection of Arbitrator***

One arbitrator shall arbitrate the dispute. The arbitrator shall be selected from the panel of arbitrators from AAA by the Arbitration Parties in accordance with the AAA rules. The parties shall act diligently in this regard. If the Arbitration Parties fail to agree on an arbitrator

within seven (7) business days from the receipt of the panel, AAA shall appoint the arbitrator. A condition to the selection of any arbitrator shall be the arbitrator's agreement to: (i) submit to all Arbitration Parties the disclosure statement required under California Code of Civil Procedure Section 1281.9; and (ii) render a decision within thirty (30) days from the date of the conclusion of the arbitration hearing.

6. ***Setting of Arbitration Hearing***

A hearing shall be held within ninety (90) days of the date of the filing of the Demand for Arbitration with AAA, unless otherwise agreed by the Arbitration Parties. The arbitrator shall set the date, time and place for the arbitration hearing(s) within the prescribed time periods by giving notice by hand delivery or first class mail to each Arbitration Party.

7. ***Discovery***

In arbitration proceedings hereunder, discovery shall be permitted in accordance with Code of Civil Procedure §1283.05 as it may be amended from time to time.

8. ***California Law Applies***

California law, including the California Arbitration Act, Code of Civil Procedure Part 3, Title 9, §§ 1280 through 1294.2, shall govern all arbitration proceedings in any Employment and Contracting Agreement.

9. ***Arbitration Remedies and Sanctions***

The arbitrator may impose only the remedies and sanctions set forth below:

a. Order specific, reasonable actions and procedures to mitigate the effects of the non-compliance and/or to bring any non-compliant Arbitration Party into compliance with the Workforce Development Plan.

b. Require any Arbitration Party to refrain from entering into new contracts related to work covered by the applicable sections of the Workforce Development Plan, or from granting extensions or modifications to existing contracts related to services covered by the applicable sections of the Workforce Development Plan, other than those minor modifications or extensions necessary to enable completion of the work covered by the existing contract.

c. Direct any Arbitration Party to cancel, terminate, suspend or cause to be cancelled, terminated or suspended, any contract or portion(s) thereof for failure of any Arbitration Party to comply with any of the requirements in this Workforce Development Plan. Contracts may be continued upon the condition that a program for future compliance is approved by OEWD. If any Arbitration Party is found to be in willful breach of its obligations hereunder, the arbitrator may impose a monetary sanction not to exceed Fifty Thousand Dollars (\$50,000.00) or ten percent (10%) of the base amount of the breaching party's contract, whichever is less, provided that, in determining the amount of any monetary sanction to be assessed, the arbitrator shall consider the financial capacity of the breaching party. No monetary sanction shall be imposed pursuant to this paragraph for the first willful breach of the Workforce

Development Plan unless the breaching party has failed to cure after being provided written notice and a reasonable opportunity to cure. Monetary sanctions may be imposed for subsequent uncured willful breaches by any Arbitration Party whether or not the breach is subsequently cured. For purposes of this paragraph, "**willful breach**" means a knowing and intentional breach.

d. Direct any Arbitration Party to produce and provide to OEWD any records, data or reports which are necessary to determine if a violation has occurred and/or to monitor the performance of any Arbitration Party.

**10. Arbitrator's Decision**

The arbitrator will normally make his or her award within twenty (20) days after the date that the hearing is completed but in no event past thirty (30) days from the conclusion of the arbitration hearing; provided that where a temporary restraining order is sought, the arbitrator shall make his or her award not later than twenty-four (24) hours after the hearing on the motion. The arbitrator shall send the decision by certified or registered mail to each Arbitration Party and shall also copy all Arbitration Parties by email (if email addresses are provided).

**11. Default Award; No Requirement to Seek an Order Compelling Arbitration**

The arbitrator may enter a default award against any person or entity who fails to appear at the hearing, provided that: (1) the person or entity received actual written notice of the hearing; and (2) the complaining party has a proof of service for the absent person or entity. In order to obtain a default award, the complaining party need not first seek or obtain an order to arbitrate the controversy pursuant to Code of Civil Procedure §1281.2.

**12. Arbitrator Lacks Power to Modify**

Except as expressly provided above in this Attachment D, the arbitrator shall have no power to add to, subtract from, disregard, modify or otherwise alter the terms of the Workforce Development Plan or to negotiate new agreements or provisions between the parties.

**13. Jurisdiction/Entry of Judgment**

The inquiry of the arbitrator shall be restricted to the particular controversy which gave rise to the Demand for Arbitration. A decision of the arbitrator issued hereunder shall be final and binding upon all Arbitration Parties. The prevailing Arbitration Party(ies) shall be entitled to reimbursement for the arbitrator's fees and related costs of arbitration. If a subcontractor is the losing party and fails to pay the fees within 30 days, then the applicable Construction Contractor (for whom that subcontractor worked) shall pay the fees. Each Arbitration Party shall pay its own attorneys' fees, provided, however, those attorneys' fees may be awarded to the prevailing party if the arbitrator finds that the arbitration action was instituted, litigated, or defended in bad faith. Judgment upon the arbitrator's decision may be entered in any court of competent jurisdiction.

*14. Exculpation*

Except as set forth in **Section 13** of this Attachment D, each Arbitration Party shall expressly waive any and all claims against OEWD, the Port and the City for costs or damages, direct or indirect, relating to this Workforce Development Plan or the arbitration process in this Attachment D, including but not limited to claims relating to the start, continuation and completion of construction.

**MASTER LEASE EXHIBIT J**

**FORM OF SUBTENANT ESTOPPEL CERTIFICATE**

The undersigned, \_\_\_\_\_ (“**Subtenant**”), is the subtenant of a portion of the real property located at [\_\_\_\_\_] , commonly known as \_\_\_\_\_, within the 28-Acre Site at Pier 70 in San Francisco, California, pursuant to that certain Sublease (as defined below) between Subtenant and [\_\_\_\_\_] (“**Sublandlord**”), and hereby certifies to the City and County of San Francisco, a municipal corporation, operating through the San Francisco Port Commission (“**Port**”), Sublandlord, [and to \_\_\_\_\_] the following to the best of Subtenant’s knowledge after diligent inquiry:

1. That there is presently in full force and effect a sublease (as modified, assigned, supplemented and/or amended as set forth in paragraph 2 below, the “**Sublease**”) dated as of \_\_\_\_\_, 20\_\_\_\_, between Subtenant and Sublandlord, covering property located at [\_\_\_\_\_] , as further described in the Sublease (the “**Subleased Premises**”). A true, correct and complete copy of the Sublease is attached hereto as *Schedule 1*.

2. That the Sublease has not been modified, assigned, supplemented or amended except as follows:

\_\_\_\_\_  
\_\_\_\_\_

3. That the Sublease is subject to the terms and conditions of that certain Lease No. L-[XXXXXX] between Port and [\_\_\_\_\_] (“**Master Tenant**”), as may have been amended from time to time (as amended, the “**Master Lease**”) and to the terms and conditions of that certain Master Sublease between Master Tenant and [entity in which tax credit investor has an interest], as may have been amended from time to time (as amended, the “**Master Sublease**”).

4. That the Sublease represents the entire agreement between Sublandlord and Subtenant with respect to the Subleased Premises.

5. That the commencement date under the Sublease was \_\_\_\_\_, 20\_\_\_\_, and the expiration date of the Sublease is \_\_\_\_\_, 20\_\_\_\_. Subtenant has no options to lease additional space, no rights of refusal with respect to leasing additional space, and no renewal options [except as follows: \_\_\_\_\_.]

6. That the present minimum monthly rent which Subtenant is paying under the Sublease is \$ \_\_\_\_\_. All rent, charges and other payments due Sublandlord under the Sublease have been paid to and including \_\_\_\_\_, 20\_\_\_\_.

7. That, if applicable, the present percentage rent payable by Subtenant on a [monthly/quarterly/annual] basis is \_\_\_\_\_ percent of \_\_\_\_\_.

8. That the security deposit held by Sublandlord under the terms of the Sublease is \$ \_\_\_\_\_, and Sublandlord (or any other party) holds no other deposit from Subtenant for security or otherwise.

9. That Subtenant has accepted possession of the Subleased Premises and that all conditions of the Sublease to be satisfied by Sublandlord have been completed or satisfied to the satisfaction of Subtenant (including completion of any landlord work and payment in full of any tenant allowance) [except as follows: \_\_\_\_\_].

10. That Subtenant, as of the date set forth below, has no right or claim of deduction, charge, lien or offset against Sublandlord under the Sublease or otherwise against the rents or other charges due or to become due pursuant to the terms of the Sublease [other than \_\_\_\_\_].

11. That, to Subtenant's actual knowledge, Sublandlord is not in default or breach of the Sublease or the Master Lease, [or Master Sublease], nor, to Subtenant's actual knowledge, has Sublandlord committed an act or failed to act in such a manner, which, with the passage of time or notice or both, would result in a default or breach of the Sublease or the Master Lease [or Master Sublease] by Sublandlord [other than \_\_\_\_\_].

12. That Subtenant is not in default or in breach of the Sublease, nor has Subtenant committed an act or failed to act in such a manner which, with the passage of time or notice or both, would result in a default or breach of the Sublease by Subtenant [other than \_\_\_\_\_].

13. That Subtenant is not the subject of any pending bankruptcy, insolvency, debtor's relief, reorganization, receivership, or similar proceedings, nor the subject of a ruling with respect to any of the foregoing.

14. The undersigned hereby certifies that he or she is duly authorized to sign and deliver this Certificate on behalf of Subtenant.

15. "Subtenant's actual knowledge" means the actual knowledge of [\_\_\_\_\_] , Subtenant's [\_\_\_\_\_] , after investigation of Subtenant's appropriate records of, and operations at, the Subleased Premises.

This Certificate shall be binding upon Subtenant and inure to the benefit of Port, Sublandlord, [\_\_\_\_\_] and their respective successors and assigns.

Dated: \_\_\_\_\_, 20\_\_\_\_\_.

[Insert name of Subtenant]

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_



MASTER LEASE EXHIBIT K

FORM OF TENANT ESTOPPEL CERTIFICATE

The undersigned, [ \_\_\_\_\_ ], a [ \_\_\_\_\_ ] (“Tenant”), is the tenant of the real property having an address at [ \_\_\_\_\_ ] [ \_\_\_\_\_ ] within the 28-Acre Site at Pier 70 located in San Francisco, California (the “Property”), and hereby certifies to the City and County of San Francisco, a municipal corporation, operating by and through the San Francisco Port Commission (“Port”) [and to \_\_\_\_\_ ] the following as of the date set forth below:

1. That there is presently in full force and effect Lease No. L-[ \_\_\_\_\_ ] dated as of [ \_\_\_\_\_ ], 201[ \_\_\_\_\_ ], (as may be modified, assigned, supplemented and/or amended as set forth in *paragraph 2* below, the “Lease”), between Tenant, as tenant, and Port, as landlord, covering the Property and other improvements, as further described in the Lease (the “Premises”).

2. That the Lease has not been modified, assigned, supplemented or amended except as follows: \_\_\_\_\_.

3. That the Lease represents the entire agreement between Port and Tenant with respect to the Premises.

4. That the commencement date under the Lease was [ \_\_\_\_\_ ], 201[ \_\_\_\_\_ ], and the expiration date of the Lease is [ \_\_\_\_\_ ], 20[ \_\_\_\_\_ ].

5. That the present minimum monthly base rent which Tenant is paying under the Lease is \$ \_\_\_\_\_.

6. **[add if applicable:]** That the Percentage Rent (as defined in the Lease) paid by Tenant for the most recent full calendar month prior to the date set forth below was \$ \_\_\_\_\_.]

7. That the security deposits held by Port under the terms of the Lease are as follows: \$ \_\_\_\_\_.

8. That Tenant has accepted possession of the Premises and that, to the best of Tenant’s knowledge, all conditions of the Lease to be satisfied by Port have been completed or satisfied to the satisfaction of Tenant.

9. That, to the best of Tenant’s knowledge, Tenant, as of the date set forth below, has no right or claim of deduction, charge, lien or offset against Port under the Lease or otherwise against the rents or other charges due or to become due pursuant to the terms of the Lease other than \_\_\_\_\_.

10. That, to Tenant's actual knowledge, Port is not in default or breach of the Lease, nor has Port committed an act or failed to act in such a manner, which, with the passage of time or notice or both, would result in a default or breach of the Lease by Port.

11. That, to the best of Tenant's knowledge, Tenant is not in default or in breach of the Lease, nor has Tenant committed an act or failed to act in such a manner which, with the passage of time or notice or both, would result in a default or breach of the Lease by Tenant.

12. Tenant is not the subject of any pending bankruptcy, insolvency, debtor's relief, reorganization, receivership, or similar proceedings, nor the subject of a ruling with respect to any of the foregoing.

This Certificate shall be binding upon Tenant and inure to the benefit of Port, [\_\_\_\_\_] and [its/their respective] successors and assigns.

Dated: \_\_\_\_\_, 20\_\_.

[ \_\_\_\_\_ ], a [ \_\_\_\_\_ ]

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**MASTER LEASE EXHIBIT L**

**FORM OF PORT ESTOPPEL CERTIFICATE**

The undersigned, the City and County of San Francisco, a municipal corporation, operating by and through the San Francisco Port Commission ("Port"), is the owner of the fee simple estate in the real property having an address at \_\_\_\_\_, within Pier 70 in San Francisco, California (the "Property"), and hereby certifies to \_\_\_\_\_, a \_\_\_\_\_ ("Tenant") [and to \_\_\_\_\_] the following as of the date set forth below:

1. That there is presently in full force and effect Lease No. L-\_\_\_\_\_ dated as of \_\_\_\_\_, 20\_\_\_\_ (as modified, assigned, supplemented and/or amended as set forth in *paragraph 2* below, the "Lease"), between Port, as landlord, and Tenant, as tenant, for the Property located within a portion of that certain real property known as [Pier 70/Insert building address], as further described in the Lease (the "Premises").

2. That the Lease has not been modified, assigned, supplemented or amended except as follows \_\_\_\_\_.

3. That the Lease represents the entire agreement between Port and Tenant with respect to the Premises except as follows:

4. That the commencement date under the Lease was \_\_\_\_\_, 20\_\_\_\_, and the expiration date of the Lease is \_\_\_\_\_, 20\_\_\_\_. Tenant does not have any right to renew the lease term. **[modify for Lease for Parcel E4: except for one 15-year term to extend]**

5. That the present monthly minimum rent under the Lease is \$\_\_\_\_.

6. That the Percentage Rent (as defined in the Lease) paid by Tenant for the most recent full calendar month prior to the date set forth below was \$\_\_\_\_ (mark N/A if not applicable).

7. That the security deposits held by Port under the terms of the Lease are as follows: \$\_\_\_\_\_.

8. Intentionally omitted.

9. That, to the actual knowledge of Port, Port is not in default or in breach of the Lease, nor has Port committed an act or failed to act in such a manner which, with the passage of time or notice or both, would result in a default or breach of the Lease by Port except as follows:

For purposes of this Estoppel Certificate, the term "actual knowledge" shall mean the actual knowledge of \_\_\_\_\_, Port's property manager for the Premises after inquiry.

10. That, to the actual knowledge of Port, Tenant is not in default or in breach of the Lease, nor has Tenant committed an act or failed to act in such a manner which, with the passage of time or notice or both, would result in a default or breach of the Lease by Tenant except as follows: \_\_\_\_\_.

11. That, to the actual knowledge of Port, Tenant, as of the date set forth below, has no right or claim of deduction, charge, lien or offset against Port under the Lease or otherwise against the rents or other charges due or to become due pursuant to the terms of the Lease other than \_\_\_\_\_.

12. That Port has not assigned, conveyed, transferred, or mortgaged its interest in the Lease or the Premises except as follows: \_\_\_\_\_.

13. That Port has not received written notice of any threatened eminent domain proceedings from a governmental entity having eminent domain powers against Port's interest in the Premises.

14. The undersigned hereby certifies that he or she is duly authorized to sign and deliver this Certificate on behalf of Port.

This Certificate shall be binding upon and inure to the benefit of Tenant, Port, [ ] and their respective successors and assigns.

Dated: [ ], 20[ ].

**CITY AND COUNTY OF SAN FRANCISCO,  
A MUNICIPAL CORPORATION, OPERATING  
BY AND THROUGH THE SAN FRANCISCO  
PORT COMMISSION**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**MASTER LEASE EXHIBIT M  
LENDER'S RIGHTS**

**1. LENDERS' RIGHTS**

**1.1. Definitions.**

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

**"Borrower"** when used in reference to a Permitted Lien means Tenant or, in the case of a Mezzanine Loan, an owner of Tenant.

**"Developer Construction Obligations"** means Master Developer's and Tenant's duty under the DDA and this Lease, as applicable, to perform or provide, in accordance with applicable Project Requirements and Regulatory Requirements, for:

- (i) construction of the Horizontal Improvements for Phase 1, which is a nontransferable obligation under DDA § 6.1 (Transfer Limitations in Phase 1);
- (ii) construction of the Horizontal Improvements for all other Phases (as defined in the DDA);
- (iii) rehabilitation of the Historic Buildings for reuse in accordance with the Secretary's Standards;
- (iv) Developer Mitigation Measures (as defined in the DDA); and
- (v) Associated Public Benefits (as defined in the DDA).

**"Developer Construction Obligations"** excludes Port Improvements and any Deferred Infrastructure, Developer Mitigation Measures, and Associated Public Benefits that any Vertical Developer will construct or provide in accordance with its Vertical DDA.

**"Encumbered Property"** means the specific real property interest in the Leasehold Estate that is the collateral under a Permitted Lien.

**"Lender Acquisition"** means a Permitted Lender or its nominee taking direct or indirect title to Encumbered Property under its Permitted Lien through a foreclosure proceeding, a conveyance or other action in lieu of foreclosure, or its exercise of any other power of sale or other remedy.

**"Mezzanine Loan"** means a loan secured by a pledge of equity interests in Borrower.

“**Mezzanine Lender**” is an entity that makes a Mezzanine Loan to a direct or indirect owner of Borrower, subject to **Section 1.3(c)** hereof (Mezzanine Financing).

“**Permitted Lender**” means a Bona Fide Institutional Lender or a Mezzanine Lender that makes a Permitted Loan.

“**Permitted Lien**” means a mortgage, deed of trust or other security instrument, given to secure a Borrower’s repayment obligation to a Permitted Lender, that encumbers:

- (i) Borrower’s real property interest in the Leasehold Estate; or
- (ii) Borrower’s ownership interests in Tenant.

“**Permitted Loan**” means a loan or Mezzanine Loan that a Permitted Lender makes to fund or refinance the cost of Developer Construction Obligations, secured by a Permitted Lien.

“**Successor by Foreclosure**” means any person who obtains title to all or any portion of or any interest in the Leasehold Estate as a result of foreclosure proceedings, conveyance or other action in lieu of foreclosure on a Permitted Lien, or other remedial action, including:

- (i) any other person who obtains title to all or any portion of or any interest in the Leasehold Estate or a Borrower from or through a Permitted Lender, including a Permitted Lender’s nominee;
- (ii) any other purchaser at a foreclosure sale; and
- (iii) any successor to either of the above.

“**Tenant’s Construction, Restoration and Maintenance Obligations**” means Tenant’s obligations for construction of the Horizontal Improvements as more particularly described in Section 12.1 of this Lease, Tenant’s covenants to repair and maintain the Premises as more particularly described in Section 11.1 and Tenant’s obligations for Restoration of the Premises as more particularly described in Section 15.1.

## **1.2. *Right to Encumber.***

(a) Permitted Loans. Tenant is expressly permitted to obtain one or more Permitted Loans from Permitted Lenders. As security for any Permitted Loan, Tenant will have the right, at any time during the Term and without Port consent, to grant one or more Permitted Liens to secure the Permitted Loans.

(b) Prohibited Loans. Tenant is expressly prohibited from: (i) granting any liens on any real or personal property interest in or related to the Premises to secure obligations other than Tenant’s obligations under this Lease including, without limitation, the Developer Construction Obligations; or (ii) providing compensation or rights to any lender as consideration for matters unrelated to the Project.

(c) Loan Transfers. A Permitted Lender may transfer any part of its interest in a Permitted Loan and Permitted Lien without the prior consent of or notice to either Party.

### 1.3. *Certain Assurances.*

(a) Port Cooperation.

(i) The Port agrees to cooperate reasonably to confirm rights and obligations under the provisions of this *Exhibit M* that protect the rights of Permitted Lenders hereunder.

(ii) If requested by a Permitted Lender, the Port will enter into a separate agreement to implement this Article. But the Port will have no obligation to agree to any additional provisions that could, in the Port's sole judgment, adversely affect any of the Port's rights and remedies under this Lease. The Port Director's execution and delivery of an agreement under this Subsection will be conditioned on its prior receipt of payment for all costs incurred to review and negotiate the agreement. If paid by Master Developer or Tenant, as applicable, these costs will not be Soft Costs for purposes of the DDA or this Lease.

(b) Construction Loans. Tenant must provide the Port with a conformed copy of any Permitted Lien that is recorded in the Official Records or filed with the California Secretary of State.

(b) Mezzanine Loans. Tenant must provide the Port with the name of each Mezzanine Lender and the priority of its Permitted Lien, together with a copy of the Permitted Lien and other agreements describing the security for the Permitted Loan or granting foreclosure rights to the Mezzanine Lender. To protect confidential proprietary information, Tenant may comply with this requirement by making the relevant documentation available for review by a Port representative during regular business hours at Tenant's offices in San Francisco.

(c) Requests for Notice. The Port will not be required to recognize any Permitted Lender's rights unless Tenant or the Permitted Lender has provided notice under **Article 35** (Notices) of each Permitted Lender's addresses for notice. The Port will be entitled to rely on any notice delivered in this manner until superseded by a later notice given in the same manner.

### 1.4. *Lenders' Notice Rights.*

(a) Delivery of Notices. The Port will deliver a copy of any notice given to Tenant under **Article 23** (Events of Default) or **Article 24** (Remedies) to each Permitted Lender at the notice address in a previously delivered request made under **Subsection 1.3(d)** (Requests for Notice). The Port will also deliver a notice of Tenant's failure to cure any default or breach under **Article 23** (Events of Default) or **Article 24** (Remedies) to each Permitted Lender at its notice address.

(b) Effect of Delayed Delivery of Notice. The Port's delay or failure to provide notice to a Permitted Lender under this Section will extend the Permitted Lender's cure period by the number of days the Port delayed before delivering notice.

(c) No Extension for Unknown Lenders. If the Port receives a request for notice from a Permitted Lender under **Subsection 1.3(d)** (Requests for Notice) after the Port has already delivered a notice to Tenant under **Article 23** (Events of Default) or **Article 24** (Remedies), the request will not extend any of the time periods in this Article.

### 1.5. *Right to Cure.*

(c) Lender Election. Each Permitted Lender will have the right at its sole election to cure any Event of Default or Material Breach; provided that all such acts must be performed in compliance with the terms of this Lease. Except after Permitted Lender or a Successor in Foreclosure acquires Tenant's interest under this Lease, no such action

will constitute an assumption by such Permitted Lender of the obligations of Tenant under this Lease. Subject to compliance with the applicable terms of this Lease, each Permitted Lender and its agents and contractors will have full access to the Premises for purposes of accomplishing any of the foregoing. The cure period for the Permitted Lender will be the same period as Tenant's cure period, plus an additional: (i) 30 days to cure a monetary Event of Default or Material Breach; or (ii) 60 days to cure any other Event of Default or Material Breach that the Permitted Lender could cure without foreclosing on its Permitted Lien.

(d) Port Forbearance for Foreclosure. If an Event of Default or Material Breach is not cured within the cure period under **Subsection 1.1(c)** (Lender Election) or cannot be cured by the Permitted Lender without foreclosing on its Permitted Lien, the Port will forbear from exercising its remedies and provide the Permitted Lender an extended cure period if, within the cure period under **Subsection 1.1(c)** (Lender Election):

(i) the Permitted Lender has a recorded or filed its Permitted Lien and given notice to the Port under **Section 35** (Notices) that the Permitted Lender intends to proceed with due diligence to complete a Lender Acquisition;

(ii) the Permitted Lender begins foreclosure proceedings within 60 days after delivering notice under **clause (i)** and diligently completes the Lender Acquisition; and

(iii) after becoming the Successor by Foreclosure, the Permitted Lender or its nominee diligently proceeds to cure any Event of Default or Material Breach for which the Port delivered notice to the Permitted Lender under **Subsection 1.4(a)** (Delivery of Notices) and the Permitted Lender gave to the Port under **clause (i)** of this Subsection.

The period from the date Lender provides notice to Port delivering notice under **clause (i)** until a Lender acquires and succeeds to the interest of Tenant under this Lease or some other party acquires such interest through Foreclosure is herein called the "Foreclosure Period."

(e) Deemed Cure by Foreclosure. No Permitted Lender will be required to cure any Event of Default or Material Breach that is personal to the Borrower, such as Borrower's Insolvency or failure to submit required information in the Borrower's possession. The Permitted Lender's completion of a Lender Acquisition to become a Successor by Foreclosure will be deemed to be a cure of any Event of Default or Material Breach that resulted in the Lender Acquisition.

#### **1.6. *Obligations with Respect to the Property.***

(a) Relationship to Lease. Except as set forth in this Article, no Permitted Lender will have any obligations or other liabilities under this Lease until it becomes a Successor by Foreclosure to the Tenant's interest in the Leasehold Estate (referred to as "**Foreclosed Property**") and expressly assumes its Borrower's rights and obligations under this Lease in writing. A Permitted Lender (or its designee) that becomes a Successor by Foreclosure to any Foreclosed Property will take title subject to all of the terms and conditions of this Lease to the extent applicable to the Foreclosed Property, including any Claims for payment or performance of obligations that are due as a condition to enjoying the benefits under this Lease after the Lender Acquisition is complete.

(b) Relationship with the Port. As of the date of the Permitted Lender's completion of a Lender Acquisition and assumption of Tenant's rights and obligations under this Lease, the Port will recognize the Permitted Lender as Tenant under this Lease.



(c) Port Right to Terminate. The Port will have the right to terminate this Lease with respect to the Foreclosed Property if the Successor by Foreclosure does not agree to assume the Developer Construction Obligations relating to the Foreclosed Property accruing under the DDA and this Lease in writing within 90 days after the date of the Lender Acquisition. If a Successor by Foreclosure affirms its intent to assume the Developer Construction Obligations under the DDA and this Lease, the Schedule of Performance with respect to the Foreclosed Property will be extended as needed for the Successor by Foreclosure to comply with the Developer Construction Obligations.

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

(e) No Obligation to Restore. Subject to Section 1.6(g) (Lender Agreement to Restore), if a Tenant Event of Default occurs prior to (x) completion of the Horizontal Improvements, (y) following any damage or destruction to completed Horizontal Improvements or Historic Buildings 2, 12 and 21 (collectively, the "**Historic Buildings**") but prior to completion of the Horizontal Improvements or prior to the Restoration of any completed Horizontal Improvements or Historic Buildings, as applicable, each Permitted Lender, either before or after foreclosure or action in lieu thereof, will not be obligated to perform any of Tenant's Construction, Restoration and Maintenance Obligations beyond the extent necessary to preserve or protect the Improvements already made, to remove any debris and to perform other reasonable measures to protect the public; provided, however, any other Person who thereafter obtains title to the Leasehold Estate, or any interest therein from or through such Lender (or its designee), or any other Successor Owner (other than such Lender ) will be obligated to Restore any damage or destruction to the Improvements in accordance with this Lease, except that any time period for such Restoration shall be reset as if the applicable casualty or condemnation occurred as of the date of the Lender Acquisition.

(f) Obligation to Sell If Not Restore. In the event that Lender acquires the Foreclosed Property through a Lender Acquisition and Lender chooses not to complete or Restore the Improvements following a casualty event, it will notify Port in writing of its election within one hundred twenty (120) days following the later of the Lender Acquisition or the casualty, and will therefore use good faith efforts to sell its interest under this Lease and the DDA with reasonable diligence to a purchaser that will be obligated to Restore the Improvements and complete the Horizontal Improvements, but in any event Lender will use good faith efforts to cause such sale to occur within nine (9) months following Lender's written notice to Port of its election not to Restore (the "**Sale Period**").

(g) Lender Agreement to Restore. If Lender fails to sell its interest in the Leasehold Estate within the Sale Period, such failure will not constitute a default hereunder but Lender will be obligated to Restore the Improvements to the extent this Lease obligates Tenant to so Restore (except that, if the applicable casualty or condemnation occurred prior to the Lender Acquisition, any time period for such Restoration shall be reset as if the applicable casualty or condemnation occurred as of the

date of the Lender Acquisition). In the event Lender agrees, or is deemed to have agreed, to Restore the Improvements, (i) all such work will be performed in accordance with all the requirements set forth in this Lease, (ii) Lender shall engage a qualified construction manager with at least ten (10) years' experience managing construction projects of a similar nature, and (iii) Lender shall confirm to Port in writing that its construction manager satisfies the foregoing requirement.

(h) Developer Construction Obligations. Section 12.1 of this Lease provides that Tenant must construct, the Horizontal Improvements during the Term in accordance with the DDA including Articles 13-17 thereof. Without limiting Subsections 1.6(c), (f) and (g) hereunder, the rights and obligations of a Lender to perform the Developer Construction Obligations hereunder will be governed by the applicable provisions set forth in DDA Article 18 (Lender's Rights).

**1.7. New Lease.** In the event of the termination of this Lease before the expiration of the Term, including, without limitation, the rejection of this Lease by a trustee of Tenant in bankruptcy or by Tenant as a debtor-in-possession, except (i) by Total Condemnation, or (ii) as the result of damage or destruction as provided in *Article 15* (Damage or Destruction), Port will serve upon Lender written notice that this Lease has been terminated, together with a statement of any and all sums which would at that time be due under this Lease but for such termination, and of all other defaults, if any, under this Lease then known to Port. The Senior Lender will thereupon have the option to obtain a new lease in accordance with and upon the following terms and conditions ("**New Lease**"):

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

(b) Such New Lease will be entered into at the Lender's cost, will be effective as of the date of termination of this Lease, and will be for the remainder of the Term and at the Rent and upon all the agreements, terms, covenants and conditions hereof, including any applicable rights of renewal and in substantially the same form as this Lease (except for any requirements or conditions which Tenant has satisfied prior to the termination). The New Lease will have the same priority as this Lease, including priority over any mortgage or other lien, charge or encumbrance on the title to the Premises. The New Lease will require Lender to perform any unfulfilled monetary obligation of Tenant under this Lease that would, at the time of the execution of the New Lease, be due under this Lease if this Lease had not been terminated and to perform as soon as reasonably practicable any unfulfilled non-monetary obligation which is continuing and is reasonably susceptible of being performed by such Lender, including any obligation to Restore subject to *Sections 1.6(e)* (Obligation to Sell If Not Restore) and *1.6(f)* (Lender Agreement to Restore). Upon the execution of the New Lease, Lender will pay any and all sums which would at the time of the execution thereof be due under this Lease but for such termination, and will pay all expenses, including reasonable Attorneys' Fees and Costs incurred by Port in connection with such defaults and termination, the recovery of possession of the Premises, and the preparation, execution and delivery of such New Lease. The provisions of this *Section 1.7(b)* will survive any termination of this Lease (except as otherwise expressly set out in the first sentence of *Section 1.7* (New Lease)), and will constitute a separate agreement by Port for the benefit of and enforceable by Lender.

**1.8. Nominee.** Any rights of a Lender under this *Exhibit M*, as amended hereby, may be exercised by or through its nominee or designee (other than Tenant) which is an Affiliate of Lender; provided, however, no Lender will acquire title to the Lease through a nominee or

designee which is not a Person otherwise permitted to become Tenant hereunder; provided, further that a Lender may acquire title to the Lease through a wholly owned (directly or indirectly) subsidiary of Lender.

**1.9. Subleases and Other Property Agreements.** Effective upon the commencement of the term of any New Lease executed pursuant to **Subsection 1.7** (New Lease), any Sublease then in effect will be assigned and transferred without recourse by Port to Lender. Between the date of termination of this Lease and expiration of the New Lease Execution Period, Port will not (1) enter into any new management agreements or agreements for the maintenance of the Premises or the supplies therefor (collectively, “**Other Property Agreements**”) or Subleases which would be binding upon Lender if Lender enters into a New Lease, (2) cancel or materially modify any of the existing Subleases, management agreements or agreements for the maintenance of the Premises or the supplies therefor or any other agreements affecting the Premises, or (3) accept any cancellation, termination or surrender of any Subleases subject to a Non-Disturbance Agreement with the Subtenant of such Sublease or Other Property Agreement without the written consent of Lender, which consent will not be unreasonably withheld or delayed; provided, however Lender’s prior approval will not be required for any Other Property Agreement entered into, cancelled, or modified by Port due to an emergency. Effective upon the commencement of the term of the New Lease, Port will also quitclaim to Lender, its designee or nominee (other than Tenant), without recourse, all of Tenant’s Personal Property remaining on the Premises.

**1.10. Consent of Lender.** Port will not (i) modify this Lease in a manner that increases base rent or percentage rent owed to Port, decreases the Term, amends any provision of this **Exhibit M**, or otherwise amends the terms of this Lease in a manner that creates a material adverse effect upon Senior Lender, or (ii) terminate or cancel this Lease without Senior Lender’s prior written consent, which consent will not be unreasonably withheld, conditioned or delayed. Any such modification, termination or cancellation of this Lease without Senior Lender’s consent will be effective against Senior Lender. No merger of this Lease and the fee estate in the Premises will occur on account of the acquisition by the same or related parties of the leasehold estate created by this Lease and the fee estate in the Premises without the prior written consent of Lender.

**1.11. Reliance.** The provisions of this **Exhibit M** are for the benefit of the Lender and may be relied upon and shall be enforceable by the Lender.

**1.12. Priority of Lender Protections** In the event of a conflict between a provision in this **Exhibit M**, on the one hand, and any other provision of this Lease, on the other hand, the provision set forth in this **Exhibit M** will control.

**1.13. No Impairment of Permitted Lien.** No default under this Lease by a Borrower will invalidate or defeat the Permitted Lien of any Permitted Lender. A breach of any obligation secured by any Permitted Lien will not defeat, diminish, render invalid or unenforceable, or otherwise impair Tenant’s rights or obligations or be, by itself, a default under this Lease.

**1.14. Multiple Permitted Liens.**

(a) **Lien Priority Generally.** If at any time there is more than one Permitted Lien against any real property interest securing a Permitted Loan to Borrower, the Permitted Lien of the Permitted Lender prior in time to all others on that portion of the encumbered real property interest (the “**Senior Lender**”) will be vested with the rights under this Article to the exclusion of the holder of any other Permitted Lien except to the extent that the Permitted Lender holding the junior Permitted Lien has obtained the consent of the Permitted Lender holding the senior Permitted Lien.

(b) **Succeeding Rights.** If the Permitted Lender holding the senior Permitted Lien fails to exercise the rights set forth in this Article, a Permitted Lender holding the junior Permitted Lien will succeed to the rights set forth in this Article only if:

(i) all Permitted Lenders holding the senior Permitted Liens have failed to exercise the rights set forth in this Article; and

(ii) the Permitted Lender holding the junior Permitted Lien seeking to exercise its rights has provided prior written notice to the Port under **Subsection 1.5(b)**(Port Forbearance for Foreclosure).

(c) No Extension after Failure to Act. No failure by the Permitted Lender holding the senior Permitted Lien to exercise its rights under this Article or delay in the response of any Permitted Lender to any notice by the Port will extend any cure period or Tenant's or any Permitted Lender's rights under this Article.

(d) Port's Reliance on Title Report. For purposes of this Section, in the absence of a final order to the contrary that is served on the Port, a title report prepared by a reputable title company licensed to do business in California and having an office in San Francisco setting forth the order of priorities of Permitted Liens on real property interests in the Premises may be relied upon by the Port as conclusive evidence of priority.

**1.15. Cured Defaults.** Upon a Permitted Lender's timely cure of any Event of Default or Material Breach under **Subsection 1.6(b)** (Right to Cure), the Port's right to pursue any remedies for the cured Event of Default or Material Breach will terminate.

**MASTER LEASE EXHIBIT N**  
**City and Port Special Provisions**

The Municipal Code (available at [www.sfgov.org](http://www.sfgov.org)) and City and Port policies described in this Exhibit are incorporated by reference as though fully set forth in the Lease (collectively, the “**City and Port Special Provisions**”). Tenant is charged with full knowledge of and compliance with each applicable requirement, whether or not summarized below. All statutory references in this Exhibit are to the Municipal Code as in effect on the Reference Date of the DDA unless specified otherwise. Initially capitalized or highlighted terms used in this Exhibit and not defined in the DDA have the meanings ascribed to them in the cited ordinance.

The application to the 28-Acre Site Project of the specified provisions of the City and Port Special Provisions is subject to **DA § 5.3** (Changes to Existing City Laws and Standards) and waivers under Sections 6, 7, 8 and 9 of Ordinance No. 224-17, which is attached to and incorporated into the City and Port Special Provisions (collectively, the “**DA Waivers**”).

The descriptions below are not comprehensive but are provided for notice purposes only. Tenant understands that its failure to comply with any applicable provision of the City and Port Special Provisions will give rise to the specific remedies under the applicable City and Port Special Provisions and in certain cases give rise to a default under the Lease, which could result in a default under the DA as well. References to "Developer" in the City and Port Special Provisions will apply to Tenant Parties and their successors under the Lease and DA Successors under the DA.

Municipal Codes and Policies Summarized

1. Nondiscrimination in Contracts and Property Contracts
2. Health Care Accountability Ordinance
3. Prevailing Wages and Working Conditions in Construction Contracts
4. Other Prevailing Wage Rate Requirements
5. First Source Hiring Program
6. Criminal History In Hiring And Employment Decisions
7. Employee Signature Authorization Ordinance
8. Tobacco Products and Alcoholic Beverages
9. Integrated Pest Management Program
10. Resource-Efficient Facilities and Green Building Requirements
11. Tropical Hardwood and Virgin Redwood Ban
12. Diesel Fuel Measures
13. Arsenic-Treated Wood
14. Food Service and Packaging Waste Reduction Ordinance
15. Bottled Drinking Water
16. Graffiti Removal and Abatement
17. Drug-Free Workplace
18. Nutritional Standards and Guidelines
19. All-Gender Toilet Facilities
20. Indoor Air Quality
21. Conflicts of Interest
22. Sunshine
23. Contribution Limits-Contractors Doing Business with the City
24. Implementing the MacBride Principles – Northern Ireland

## Contracting, Hiring, and Construction

### 1. **Nondiscrimination in Contracts and Property Contracts.**

(Admin. Code ch. 12B, ch. 12C)

(a) Covered Contracts. All provisions in this Section regarding the Nondiscrimination in Contracts and Property Contracts ordinance apply to “subcontracts to contracts” and “property contracts” as defined in Administrative Code sections 12B.2 and 12C.2.

(b) Covenant Not to Discriminate. In its development of the FC Project Area, Developer covenants and agrees not to discriminate against or segregate any person or group of persons on any basis listed in section 12955 of the California Fair Employment and Housing Act (Cal. Gov. Code §§ 12900-12996), or 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, AIDS/HIV status, weight, height, association with members of protected classes, or in retaliation for opposition to any forbidden practices against any employee of, any City employee working with, or applicant for employment with Developer, or against any person seeking accommodations, advantages, facilities, privileges, services, or membership in the business, social, or other establishment or organization operated by Developer.

(c) Requirement to Include. Developer must: (i) include a nondiscrimination clause in substantially the form of **Subsection (a)** (Covenant Not to Discriminate); and (ii) incorporate by reference Administrative Code sections 12B.2(a), 12B.2(c)-(k), and 12C.3(a) in all applicable contracts, subcontracts, and subleases and require all contractors, subcontractors, and subtenants to comply with those provisions.

(d) Nondiscrimination in Benefits. Developer agrees not to discriminate between employees with domestic partners and employees with spouses, or between the domestic partners and spouses of employees, where the domestic partnership has been registered with any governmental entity under state or local law authorizing registration, subject to the conditions set forth in Administrative Code section 12B.2. Developer’s agreement relates to bereavement leave, family medical leave, health benefits, membership or membership discounts, moving expenses, pension and retirement benefits, and travel benefits (collectively “**Core Benefits**”), as well as other employee benefits described in section 12B.1(b), during the term of each applicable contract, subcontract, and sublease.

(e) Form. On or before the Reference Date, Developer must complete, execute, deliver to, and obtain approval of its completed *Nondiscrimination in Contracts and Benefits* form CMD-12B-101 from CMD. The form is available on CMD’s website.

(f) Penalties. Developer understands that under Administrative Code section 12B.2(h), the City may assess against Developer or deduct from any payments due Developer a penalty of \$50 for each person for each calendar day during which Developer or its subcontractor, property contractor, or other contractor discriminated against a protected person in violation of this Section. Violation of this Section, if not cured after notice and opportunity to

cure, also will be an Event of Default under the DDA and the DA and a material breach of any applicable contract, subcontract, or sublease.

**2. Health Care Accountability Ordinance.**

(Admin. Code ch. 12Q)

(a) Developer agrees to comply fully with and be bound by the Health Care Accountability Ordinance (“HCAO”), as set forth in Administrative Code chapter 12Q, unless exempt.

(b) Covered Employees. For each Covered Employee, Developer must provide the appropriate health benefit set forth in HCAO section 12Q.3, unless it is exempt as a small business under HCAO section 12Q.3(e).

(c) Notice and Opportunity to Cure. If Developer fails to cure a violation of the HCAO after receiving notice of a violation and an opportunity to cure the violation, the City will have the remedies set forth in HCAO section 12Q.5(f), subject to the DA Waivers, which the City may exercise individually or in combination with any of its other rights and remedies.

(d) Covered Contracts. Any Contract, Subcontract, or Sublease, as defined in Chapter 12Q, that Developer enters into for public works, public improvements, or for services must require the Contractor, Subtenant, or Subcontractor, as applicable, to comply with the applicable provisions of the HCAO and must contain contractual obligations substantially the same as those set forth in the HCAO. Developer agrees to notify the Contracting Department promptly of any Subcontractors performing services covered by Chapter 12Q and certify to the Contracting Department that Developer has notified the Subcontractors of their HCAO obligations under this Chapter.

(e) Noncompliance. Developer will be responsible for monitoring compliance with the HCAO by each Subcontractor, Subtenant, and Contractor performing services on the FC Project Area. But the City agrees that Developer will not be liable for the noncompliance of its Subcontractors, Subtenants, or Contractors. The City’s remedies for Developer’s noncompliance with the HCAO are subject to the DA Waivers.

(f) Retaliation Prohibited. Developer must not discharge, reduce in compensation, or otherwise discriminate against any Employee for notifying the City of any issue regarding noncompliance or anticipated noncompliance with the HCAO, for opposing any practice proscribed by the HCAO, for participating in any proceedings related to the HCAO, or for seeking to assert or enforce any rights under the HCAO by any lawful means.

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

(h) Reporting. Upon request, Developer must provide reports to the City in accordance with any reporting standards promulgated by the City under the HCAO.

(i) Records. After receiving a written request from the City to inspect pertinent payroll records and after at least 10 days to respond have elapsed, Developer agrees to provide the City with access to pertinent payroll records relating to the number of employees employed and terms of medical coverage. In addition, the City and its Agents, in consultation with the Department of Public Health, may conduct audits of Contracting Parties, although such audits

shall be conducted through an examination of records at a mutually agreed upon time and location within 10 days after written notice. Developer agrees to cooperate with the City in connection with these audits.

(j) Threshold. If a Subcontractor, Subtenant, or Contractor is exempt from the HCAO because the amount payable to the Subcontractor, Subtenant, or Contractor under all of its contracts with the City or relating to City-owned property is less than \$25,000 (or \$50,000 for nonprofits) in that City Fiscal Year, but the Subcontractor, Subtenant, or Contractor later enters into one or more agreements with the City or relating to City-owned property that cause the payments to the Subcontractor, Subtenant, or Contractor to equal or exceed \$75,000 in that City Fiscal Year, then all of the Contractor's, Subtenant's, or Subcontractor's contracts with the City and relating to City-owned property will become subject to the HCAO from the date on which the later agreement is executed.

**3. Prevailing Wages and Working Conditions in Construction Contracts.**

(Calif. Labor Code §§ 1720 *et seq.*; Admin. Code § 6.22(e))

(a) Labor Code Provisions. Certain contracts for work at the FC Project Area may be public works contracts if paid for in whole or part out of public funds, as the terms “**public work**” and “**paid for in whole or part out of public funds**” are defined in and subject to exclusions and further conditions under California Labor Code sections 1720-1720.6.

(b) Requirement. Developer must comply with the prevailing wage requirements in *WDP § III.C.6 (Prevailing Wages)* that apply to construction work on all Prevailing Wage Covered Projects by Developer, all Vertical Developers and Construction Contractors (and their subcontractors regardless of tier) (as defined in the WDP).

(c) Penalties. The Port has designated OLSE as the agency responsible for ensuring that prevailing wages are paid and other payroll requirements are met in accordance with the WDP, subject to the DA Waivers.

**4. Other Prevailing Wage Rate Requirements.**

(Admin. Code ch. 21C)

(a) Under Administrative Code ch. 21C, individuals employed in certain activities at the FC Project Area are entitled to be paid not less than either the highest general prevailing rate of wages (including fringe benefits or their matching equivalents) paid in private employment for similar work in the area in which the contract is being performed, as determined by the Civil Service Commission or the “**Prevailing Rate of Wages**” (including fringe benefits or matching equivalents) fixed by the Board of Supervisors, unless the activities meet any of the specified exemptions. Covered activities are:

- (i) motor bus services provided to the general public (§ 21C.1);
- (ii) “**Janitorial Services**” (§ 21C.2);
- (iii) operation of a “**Public Off-Street Parking Lot, Garage, or Automobile Storage Facility**” (§ 21C.3);



(iv) theatrical or technical services related to the presentation of a show, including workers engaged in rigging, sound, projection, theatrical lighting, videos, computers, draping, carpentry, special effects, and motion picture services (§ 21C.4);

(v) operation of a “**Special Event**” (§ 21C.8);

(vi) “**Broadcast Services**” (§ 21C.9); and

(vii) driving a “**Commercial Vehicle**” or loading or unloading materials, goods, or products into or from a Commercial Vehicle in connection with the presentation of a “**Show**” or for a Special Event (§ 21C.10).

(b) Agreement. Developer agrees to comply with the obligations in Administrative Code chapter 21C and to require its tenants, contractors, and any subcontractors to comply with the obligations in chapter 21C. In addition, if Developer or its tenant, contractor, or any subcontractor fails to comply with these obligations, the City will have all available remedies against Developer to secure compliance and seek redress for workers who provided the services.

(c) OLSE. For current Prevailing Wage rates, see the OLSE website or call the OLSE at 415-554-6235.

#### 5. **First Source Hiring Program.**

(Admin. Code ch. 83)

Developer’s obligations to comply with the First Source Hiring Program are set forth in *WDP §§ II.C.3 (First Source Hiring Program for Construction Work)* and *II.D2 (First Source Hiring Program for Operations)*.

#### 6. **Criminal History In Hiring And Employment Decisions.**

(Admin. Code ch. 12T)

(a) Agreement to Comply. Administrative Code Chapter 12T (“**Chapter 12T**”) will only apply to a Contractor’s, Subcontractor’s, or subtenant’s operations to the extent those operations are in furtherance of performing a Contract or Property Contract with the City subject to Chapter 12T. If applicable, Developer will comply with and be bound by Chapter 12T, including the remedies and implementing regulations, with respect to applicants to and employees of Developer who would be or are performing work at the FC Project Area under the DDA.

(b) Breach. Developer must incorporate Chapter 12T by reference in all contracts related to be performed in furtherance of a Contract or Property Contract with the City, as defined in Administrative Code section 12T.1. Developer will be responsible for monitoring compliance by its Subcontractors, Contractors, and subtenants, but the City agrees that Developer will not be liable for their noncompliance.

(c) Prohibited Activities. Developer and its Subcontractors, Contractors, and subtenants must not inquire about, require disclosure of, or if the information is received, base an Adverse Action on an applicant’s or potential applicant’s or employee’s: (i) Arrest not leading to a Conviction, except under circumstances identified in Chapter 12T as an Unresolved Arrest; (ii) participation in or completion of a diversion or a deferral of judgment program; (iii) a Conviction that has been judicially dismissed, expunged, voided, invalidated, or otherwise

rendered inoperative; (iv) a Conviction or any other adjudication in the juvenile justice system, or information regarding a matter considered in or processed through the juvenile justice system; (v) a Conviction that is more than seven years old, based on the date of sentencing; or (vi) information pertaining to an offense other than a felony or misdemeanor, such as an infraction, except that a Contractor, Subcontractor, or subtenant may inquire about, require disclosure of, base an Adverse Action on, or otherwise consider an infraction or infractions contained in an applicant or employee's driving record if driving is more than a de minimis element of the employment in question.

(d) Employment Applications. Developer and its Subcontractors, Contractors, and subtenants must not inquire about or require applicants, potential applicants for employment, or employees to disclose on any employment application the facts or details of any Conviction History or unresolved arrest until either after the first live interview with the person, or after a conditional offer of employment in accordance with section 12T.4(c).

(e) Disclosure. Developer and its Subcontractors, Contractors, and subtenants must state in all solicitations or advertisements for employees that are reasonably likely to reach persons who are reasonably likely to seek employment with Developer or its Subcontractors, Contractors, and subtenants at the FC Project Area that the DDA and all Contracts and Property Contracts will consider for employment qualified applicants with criminal histories in a manner consistent with the requirements of Chapter 12T.

(f) Posting. Developer and its Subcontractors, Contractors, and subtenants must post the notice prepared by the OLSE, available on OLSE's website, in a conspicuous place at the FC Project Area and at other workplaces, job sites, or other locations under the Subcontractor's, Contractor's, or subtenant's control at which work is being done or will be done in furtherance of performing a Contract or Property Contract under the DDA with the City. The notice will be posted in English, Spanish, Chinese, and any language spoken by at least 5% of the employees at the FC Project Area or other workplace at which it is posted.

(g) Penalties. Developer and its Subcontractors, Contractors, and subtenants understand and agree that upon any failure to comply with Chapter 12T, the City will have the right to pursue any rights or remedies available under Chapter 12T, subject to **Subsection (b) (Breach)** and the DA Waivers, including a penalty of \$50 for each employee, applicant or other person as to whom the violation occurred or continued, and thereafter, for subsequent violations, the penalty may increase to no more than \$100, for each employee or applicant whose rights were, or continue to be, violated.

(h) Inquiries. If Developer has any questions about the applicability of Chapter 12T, it may contact the Port for additional information. The Port will consult with the Director of the City's Office of Contract Administration, who has authority to grant a waiver under the circumstances set forth in section 12T.8 of Chapter 12T.

**7. Employee Signature Authorization Ordinance.**  
(S.F. Admin Code §§ 23.50-23.56)

The City has adopted an Employee Signature Authorization Ordinance, which requires employers of employees in hotel or restaurant projects on public property with 50 or more full-time or part-time employees to enter into a "card check" agreement with a labor union regarding

the preference of employees to be represented by a labor union to act as their exclusive bargaining representative. Developer agrees to comply with the requirements of the ordinance, if applicable, including any requirements applicable to its successors, as specified in Administrative Code section 23.54.

### Use Of City Property

#### **8. Tobacco Products and Alcoholic Beverages.** (Admin. Code § 4.20; Health Code art. 19K)

(a) Definitions. For purposes of this Section: (i) “**alcoholic beverage**” is defined in California Business and Professions Code section 23004 and excludes cleaning solutions, medical supplies, and other products and substances not intended for drinking; and (ii) “**tobacco product**” is defined in Health Code section 1010(b).

(b) Advertising Ban. New general advertising signs that are visible to the public are prohibited on the exterior of any City-owned building under Administrative Code section 4.20-1.

(c) Tobacco Sales Ban. No person may sell tobacco products on property owned by or under the control of the City under Health Code article 19K.

(d) Alcoholic Beverage Advertising. Port property used for operation of a restaurant, concert or sports venue, or other facility or event where the sale, production, or consumption of alcoholic beverages is permitted, will be exempt from the alcoholic beverage advertising prohibition in Administrative Code section 4.20(a)-(c).

#### **9. Integrated Pest Management Program.** (Env. Code ch. 3)

(a) IPM Plan. Chapter 3 of the Environment Code (the “**IPM Ordinance**”) describes an integrated pest management policy (“**IPM Policy**”) to be implemented by all City departments. Except for the permitted uses of pesticides provided in IPM Ordinance section 303, Developer must not use or apply during the DDA term, and must not contract with any party to provide pest abatement or control services to the FC Project Area, except in compliance with the Port’s integrated pest management plan (“**IPM Plan**”).

(b) Application. Although not a City Department, Developer agrees to comply, and must require all of Developer’s contractors to comply, with the Port’s approved IPM Plan and IPM Ordinance sections 300(d), 302, 304, 305(f), 305(g), and 306, as if Developer were a City department. Among other matters, the IPM Ordinance: (i) provides for the use of pesticides only as a last resort; (ii) prohibits the use or application of pesticides on City-owned property except for pesticides granted exemptions under IPM Ordinance section 303 (including pesticides included on the most current Reduced Risk Pesticide List compiled by the Department of the Environment); (iii) imposes certain notice requirements; and (iv) requires Developer to keep certain records and to report to the City all pesticide use by Developer’s staff or contractors.

(c) Prior Review. Before Developer or Developer’s contractor applies pesticides to outdoor areas, Developer must 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 must be made only by or under the supervision of

a person holding a valid Qualified Applicator certificate or Qualified Applicator license under California law. The City's current Reduced Risk Pesticide List and additional details about pest management on City property can be found at the Department of the Environment website, <http://sfenvironment.org/ipm>.

**10. Resource-Efficient Facilities and Green Building Requirements.**

(Env. Code ch. 7)

Developer agrees to comply with all applicable provisions of the Environment Code relating to resource-efficiency and green building design requirements.

**11. Tropical Hardwood and Virgin Redwood Ban.**

(Env. Code ch. 8)

The City urges companies not to import, purchase, obtain or use for any purpose, any tropical hardwood, tropical hardwood wood product, virgin redwood, or virgin redwood wood product, except as expressly permitted by the application of Environment Code sections 802(b) and 803(b). Developer agrees that, except as permitted by the application of Environment Code sections 802(b) and 803(b), Developer will not use or incorporate any tropical hardwood or virgin redwood in the construction of the Improvements or provide any items to the construction of the Project, or otherwise in the performance of the DDA that are tropical hardwoods, tropical hardwood wood products, virgin redwood, or virgin redwood wood products. If Developer fails to comply in good faith with any of Environment Code chapter 8, Developer will be liable for liquidated damages for each violation in any amount equal to the contractor's net profit on the contract, or 5% of the total amount of the contract dollars, whichever is greater.

**12. Diesel Fuel Measures.**

(Env. Code ch. 9)

Consistent with the City's Greenhouse Gas Emissions Reduction Plan (Env. Code § 903) to reduce greenhouse gas emissions in the City, Developer must minimize exhaust emissions from operating equipment and trucks during construction. Developer's compliance with MMRP Mitigation Measure M-AQ-1a will satisfy this requirement.

**13. Arsenic-Treated Wood.**

(Env. Code ch. 13)

Developer must not purchase preservative-treated wood products containing arsenic on behalf of the City in the performance of the DDA without obtaining an exemption under Environment Code section 1304 from the Department of Environment. Developer may purchase preservative-treated wood products on the list of environmentally preferable alternatives prepared and adopted by the Department of Environment. This provision does not preclude Developer from purchasing preservative-treated wood containing arsenic for saltwater immersion. In this Section: (a) "**preservative-treated wood containing arsenic**" means wood treated with a preservative that contains arsenic, elemental arsenic, or an arsenic copper combination, including chromated copper arsenate preservative, ammoniac copper zinc arsenate preservative, or ammoniacal copper arsenate preservative; and (b) "**saltwater immersion**" means a pressure-treated wood that is used for construction purposes or facilities that are partially or totally immersed in saltwater.

**14. Food Service and Packaging Waste Reduction Ordinance.**  
(Env. Code ch. 16)

Developer agrees to comply fully with and be bound by section 1604(d) of the Food Service and Packaging Waste Reduction Ordinance (Env. Code ch. 16), including the remedies provided in section 1607 and implementing guidelines and rules. By entering into the DDA and the Development Agreement, Developer agrees that if it breaches this provision, and fails to cure within the cure periods provided herein, the City will suffer actual damages that will be impractical or extremely difficult to determine and that the following amounts of liquidated damage are reasonable estimates of the damage that the City will incur based on any violation, established in light of the circumstances existing on the Reference Date: (a) \$100 for the first breach; (b) \$200 for the second breach in the same year; and (c) \$500 for subsequent breaches in the same year. These liquidated damages will not be considered penalties, but agreed monetary damages sustained by the City because of Developer's noncompliance.

**15. Bottled Drinking Water.**  
(Env. Code ch. 24; Port Reso. No. 12-11)

Developer 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 21 fluid ounces or less at Events held on City Property with attendance of more than 100 people during the DDA Term. Also, Developer must comply with the Port's *Zero Waste Policy for Events and Activities* (Port Reso. No. 12-11) for applicable Events at the FC Project Area during the DDA Term.

**16. Graffiti Removal and Abatement.**  
(Pub. Works Code Sec. 23)

(a) Requirement. Developer agrees to remove all graffiti from the FC Project Area, including from the exterior of any structures within the FC Project Area, consistent with the notice and cure provisions of Public Works Code section 23. If the Director of Public Works determines that any property contains graffiti in violation of section 2303, the Director may issue a notice of violation to Developer and any Offending Party. At the time the notice of violation is issued, the Director will take one or more photographs of the alleged graffiti and make copies of the photographs available to Developer and any Offending Party upon request. The photographs will be dated and retained as a part of the file for the violation. The notice will give Developer and any Offending Party 30 days after the date of the notice to either remove the graffiti or request a hearing on the notice of violation and set forth the procedure for requesting the hearing. This Section is not intended to require a tenant to breach any lease or other agreement that it may have concerning its use of the real property.

(b) Application. In this Section, "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: (i) any sign or banner that is authorized by, and in compliance with, the applicable requirements of the DDA or the Port

Building Code; (ii) 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.*); (iii) any painting or marking that a City department makes in the course of its official duties or as part of a public education campaign; or (iv) any painting or marking required for compliance with any local, state, or federal law.

**17. Drug-Free Workplace.**

(41 U.S.C. ch. 81; Police Code art. 40)

To the extent applied by a federal grant or contract for the Project, the Drug-Free Workplace Act of 1988 (41 U.S.C. ch. 81) will apply to Developer. Developer agrees to adopt a Drug-Free Workplace Policy and comply with all other applicable requirements of the drug-free workplace laws under Police Code article 40.

**18. Nutritional Standards and Guidelines.**

(Admin. Code § 4.9-1)

(a) Definitions. For the purpose of this Section: (i) “**meal**” means “**prepared food**” as defined in Environment Code section 1602(l), which means food or beverages prepared within San Francisco for individual customers or consumers in a form commonly understood to be a breakfast, lunch, or dinner; (ii) “**Nutritional Standards Requirements**” means the food and beverage nutritional standards and calorie labeling requirements set forth in Administrative Code section 4.9-1(c); (iii) “**restaurant**” is defined in Health Code section 451(s) and includes any coffee shop, cocktail lounge, sandwich stand, public school cafeteria, in-plant or employee eating establishment, and any other eating establishment that gives or offers for sale food that requires no further preparation to the public, guests, patrons, or employees for consumption on or off the premises; (iv) “**vending machine**” is defined in Administrative Code section 4.2(a) and means an automated machine dispensing products or services, including food, beverages, tobacco products, newspapers, and periodicals.

(b) Vending Machines. Any permitted vending machine must comply with the Nutritional Standards Requirements in section 4.9-1(c). Developer must incorporate the Nutritional Standards Requirements into any contract for the installation of a vending machine on the FC Project Area or for the supply of food and beverages to that vending machine.

(c) Restaurants. Any restaurant on City property is encouraged to ensure that at least 25% of meals offered on the menu meet the Nutritional Standards Requirements set forth in Administrative Code section 4.9-1(e).

(d) Penalties. Developer’s failure to comply with the Nutritional Standards Requirements in section 4.9-1(c) will be considered an Event of Default under the DDA and in addition to its other remedies, which will be subject to the DA Waivers, the City may require the removal of any vending machine on the FC Project Area that is not permitted or that violates the Nutritional Standards Requirements. Developer will be responsible for monitoring compliance with the Nutritional Standards Requirements by each subcontractor, subtenant, and contractor performing services or occupying premises on the FC Project Area. But the City agrees that Developer will not be liable for the noncompliance of its subcontractors, subtenants, or contractors.

**19. All-Gender Toilet Facilities.**  
(Admin. Code § 4.1-3)

Developer must include at least one all-gender toilet facility on each floor of any new building on City-owned land or that is constructed by or for the City where toilet facilities are required or provided. Unless not allowed by an existing lease, whenever extensive renovations are made on one or more floors in any building on land that the City owns or in a building that is leased to or by the City, Developer will provide at least one all-gender toilet facility on each floor where the renovations take place and toilet facilities are required or provided. 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. "Extensive renovations" means any renovation where the construction cost exceeds 50% of the cost of providing the required toilet facilities.

**20. Indoor Air Quality.**  
(Env. Code § 711(g))

Developer agrees to comply with section 711(g) of the Environment Code and regulations adopted under Environment Code section 703(b) relating to construction and maintenance protocols to address indoor air quality.

**Use Of Port Property**

**21. Southern Waterfront Community Benefits and Beautification Policy.**  
(Port Reso. No. 07-77)

(a) Policy Goals. 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, Developer must provide community benefits and beautification measures in consideration for the use of the Project Site. Examples of desired benefits include: (i) beautification, greening, and maintenance of any outer edges of and entrances to the FC Project Area; (ii) creation and implementation of a Community Outreach and Good Neighbor Policy to guide Developer's interaction with the 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 FC Project Area that are low-emission diesel equipment and use 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 FC Project Area of a large percentage of managers and other staff who live in the local neighborhood or community; (vii) use of truckers that are certified as LBEs under Administrative Code chapter 14B; and (viii) use of businesses that are located within the Potrero Hill and Bayview Hunters Point neighborhoods. Developer's performance of the Project Requirements under the DDA will satisfy the requirements under this policy. Developer agrees to provide the Port with documents and records regarding these activities at the Port's request.

(b) Agreement to Use Local Truckers. Except to the extent inconsistent with any pertinent collective bargaining agreement, Developer agrees that, for all directly contracted or

service agreement trucking opportunities associated with Developer's operations at the FC Project Area, including hauling materials on, off, and within the Project Site, Developer will make good faith efforts to use Local Truckers first. For purposes of this Section, "truckers" means a business that provides trucking services for a profit, and "Local Truckers" means truckers that CMD has certified as LBEs.

To the extent that Developer in its sole discretion directly contracts or enters into a service agreement with truckers for trucking opportunities as described in this Section, Developer must use Local Truckers for a minimum of 60% of all contracted or service agreement trucking. Only the actual dollar amount paid to truckers will be counted towards meeting the 60% requirement; equipment rental and disposal fees will not be counted. Developer will not be in default of this provision for not meeting the 60% minimum if Developer offered trucking opportunities to Local Truckers, but the Local Truckers were unavailable or unwilling to perform the work.

During all periods of construction activities at the Project Site, Developer must submit a monthly report to the Port and CMD stating the total cost to Developer of trucking through a contract or service agreement during the preceding month and identifying the total amount paid to Local Truckers. The monthly report must document all truckers who conducted contract or service agreement work for Developer, and identify truckers that are Local Truckers. If Developer fails to meet the 60% minimum in any month, the report must document Developer's good faith outreach efforts to contact Local Truckers and the reasons that the work could not be conducted by Local Truckers. At the Port's or CMD's request, Developer must provide additional documentation required to ensure Developer's compliance with this provision. Developer's failure to comply with this Section will be a Material Breach under the DDA.

#### **Other Public Policies**

**22. Conflicts of Interest.**

(Calif. Gov. Code §§ 87100 *et seq.* & §§ 1090 *et seq.*; Charter § 15.103; Campaign and Gov't Conduct Code art. III, ch. 2)

Through its execution of the DDA, Developer acknowledges that it is familiar with Charter section 15.103, Campaign and Governmental Conduct Code article III, chapter 2, and California Government Code sections 87100 *et seq.* and sections 1090 *et seq.*, certifies that it does not know of any facts that would violate these provisions and agrees to notify the Port if Developer becomes aware of any such fact during the DDA Term.

**23. Sunshine.**

(Calif. Gov. Code §§ 6250 *et seq.*; Admin. Code ch. 67)

Developer understands and agrees that under the California Public Records Act (Calif. Gov. Code §§ 6250 *et seq.*) and the City's Sunshine Ordinance (Admin. Code ch. 67), the Transaction Documents and all records, information, and materials that Developer submits to the City may be public records subject to public disclosure upon request. Developer may mark materials it submits to the City that Developer in good faith believes are or contain trade secrets or confidential proprietary information protected from disclosure under public disclosure laws, and the City will attempt to maintain the confidentiality of these materials to the extent provided



by law. Developer acknowledges that this provision does not require the City to incur legal costs in any action by a person seeking disclosure of materials that the City received from Developer.

**24. Contribution Limits-Contractors Doing Business with the City.**

(Campaign and Gov't Conduct Code § 1.126)

(a) Application. Campaign and Governmental Conduct Code section 1.126 (“**Section 1.126**”) applies only to agreements subject to approval by the Board of Supervisors, the Mayor, any other elected officer, or any board on which an elected officer serves. Section 1.126 prohibits a person who contracts with the City for the sale or lease of any land or building to or from the City from making any campaign contribution to: (i) any City elective officer if the officer or the board on which that individual serves or a state agency on whose board an appointee of that individual serves must approve the contract; (ii) a candidate for the office held by the individual; or (iii) a committee controlled by the individual or candidate, at any time from the commencement of negotiations for the contract until the later of either the termination of negotiations for the contract or six months after the date the contract is approved.

(b) Acknowledgment. Through its execution of the DDA, Developer acknowledges the following.

(i) Developer is familiar with Section 1.126.

(ii) Section 1.126 applies only if the contract or a combination or series of contracts approved by the same individual or board in a fiscal year have a total anticipated or actual value of \$50,000 or more.

(iii) If applicable, the prohibition on contributions applies to: (1) Developer; (2) each member of Developer’s board of directors; (3) Developer’s chairperson, chief executive officer, chief financial officer, and chief operating officer; (4) any person with an ownership interest of more than 20% in Developer; (5) any subcontractor listed in the contract; and (6) any committee, as defined in Campaign and Governmental Conduct Code section 1.104, that is sponsored or controlled by Developer.

**25. Implementing the MacBride Principles – Northern Ireland.**

(Admin. Code ch. 12F)

The Port and the City urge companies doing business in Northern Ireland to move towards resolving employment inequities and encourage them to abide by the MacBride Principles. The Port and the City urge San Francisco companies to do business with corporations that abide by the MacBride Principles.

1 [Development Agreement - FC Pier 70, LLC - Pier 70 Development Project]

2  
3 **Ordinance approving a Development Agreement between the City and County of San**  
4 **Francisco and FC Pier 70, LLC, for 28 acres of real property located in the southeast**  
5 **portion of the larger area known as Seawall Lot 349 or Pier 70; and bounded generally**  
6 **by Illinois Street on the west, 22nd Street on the south, and San Francisco Bay on the**  
7 **north and east; waiving certain provisions of the Administrative Code, Planning Code,**  
8 **and Subdivision Code; and adopting findings under the California Environmental**  
9 **Quality Act, public trust findings, and findings of consistency with the General Plan,**  
10 **and the eight priority policies of Planning Code, Section 101.1(b).**

11 **NOTE:** **Unchanged Code text and uncodified text** are in plain Arial font.  
12 **Additions to Codes** are in *single-underline italics Times New Roman font*.  
13 **Deletions to Codes** are in ~~*strikethrough italics Times New Roman font*~~.  
14 **Board amendment additions** are in double-underlined Arial font.  
15 **Board amendment deletions** are in ~~Arial font~~.  
16 **Asterisks (\* \* \* \*)** indicate the omission of unchanged Code  
17 subsections or parts of tables.

18 Be it ordained by the People of the City and County of San Francisco:

19 Section 1. Background and Findings.

20 (a) California Government Code Sections 65864 et seq. ("Development Agreement  
21 Law") authorize any city, county, or city and county to enter into an agreement for the  
22 development of real property within its jurisdiction.

23 (b) Chapter 56 of the Administrative Code sets forth certain procedures for  
24 processing and approving development agreements in the City and County of San Francisco  
25 (the "City").

(c) In April 2011, the Port Commission (the "Port") selected Forest City  
Development California, Inc., a California corporation, through a competitive process to

1 negotiate exclusively for the mixed-use development (the "Project") of approximately 28 acres  
2 (the "28-Acre Site") of Seawall Lot 349, a land parcel under Port jurisdiction that is bounded  
3 generally by Illinois Street on the west, 22<sup>nd</sup> Street on the south, and San Francisco Bay on  
4 the north and east commonly known as Pier 70. Forest City Development California, Inc. is  
5 now wholly owned by Forest City Realty Trust, Inc., a New York Stock Exchange-listed real  
6 estate company. FC Pier 70, LLC ("Developer"), a wholly-owned an affiliate of Forest City  
7 Realty Trust, Inc., Development California, Inc., will act as the master developer for the  
8 Project. ("Developer").

9 (d) In conjunction with this ordinance, the Board of Supervisors has taken or intends  
10 to take a number of other actions in furtherance of the Project, including approval of: (1) a  
11 trust exchange agreement between the Port and the California State Lands Commission; (2) a  
12 disposition and development agreement ("DDA") between Developer and the Port;  
13 (3) amendments to the General Plan; (4) amendments to the Planning Code that create the  
14 Pier 70 Special Use District (the "SUD amendments") over the 28-Acre Site and two adjacent  
15 parcels known as the "Illinois Street Parcels" and incorporate more detailed land use controls  
16 of the Pier 70 SUD Design for Development; (5) amendments to the Zoning Maps;  
17 (6) approval of a development plan for the 28-Acre Site in accordance with Charter  
18 Section B7.310 (adopted as part of Proposition D, November 2008) and Section 4 of the  
19 Union Iron Works Historic District Housing, Waterfront Parks, Jobs and Preservation Initiative  
20 (Proposition F, November 2014); (7) a memorandum of understanding for interagency  
21 cooperation among the Port, the City, and other City agencies (the "ICA") with respect to the  
22 subdivision of the 28-Acre Site and construction of infrastructure and other public facilities;  
23 (8) formation proceedings for financing districts and a memorandum of understanding  
24 between the Port and the Assessor, the Treasurer-Tax Collector, and the Controller regarding  
25 the assessment, collection, and allocation of ad valorem and special taxes to the financing

1 districts; and (9) a number of related transaction documents and entitlements to govern the  
2 Project.

3 (e) At full build-out, the Project will include: (1) 1,100 to 2,150 new residential units,  
4 at least 30% of which, in the Affordable Housing Area that includes the 28-Acre Site and a  
5 portion of the 20th/Illinois Parcel, will be on-site housing affordable to a range of low- to  
6 moderate-income households as described in the Affordable Housing Plan in the DDA;  
7 (2) between 1 million and 2 million gross square feet of new commercial and office space;  
8 (3) rehabilitation of three significant contributing resources to the historic district; (4) space for  
9 small-scale manufacturing, retail, and neighborhood services; (5) transportation demand  
10 management on-site, a shuttle service, and payment of impact fees to the Municipal  
11 Transportation Agency that it will use to improve transportation connections through the  
12 neighborhood; (6) 9 acres of new open space, potentially including active recreation on  
13 rooftops, a playground, a market square, a central commons, and waterfront parks along the  
14 shoreline; (7) on-site strategies to protect against sea level rise; and (8) replacement studio  
15 space for artists leasing space in Building 11 in Pier 70 and a new arts space.

16 (f) While the DDA binds the Port and Developer, other City agencies retain a role in  
17 reviewing and issuing certain later approvals for the Project. Later approvals include approval  
18 of subdivision maps and plans for horizontal improvements and public facilities, design review  
19 and approval of new buildings under the SUD amendments, and acceptance of Developer's  
20 dedications of horizontal improvements and public facilities for maintenance and liability under  
21 the Subdivision Code. Accordingly, the City and Developer negotiated a development  
22 agreement for the Project (the "Development Agreement"), a copy of which is in Board File  
23 No. 170863 and incorporated in this ordinance by reference. The DDA, the Development  
24 Agreement, the ICA, the Tax MOU, and all leases and vertical disposition development  
25

1 agreements that the Port enters into in accordance with the DDA are referred to collectively as  
2 the "Transaction Documents."

3 (g) Development of the 28-Acre Site in accordance with the DDA and the  
4 Development Agreement will help realize and further the City's goals to restore and revitalize  
5 the Union Iron Works Historic District, increase public access to the waterfront, increase  
6 public open space and community facilities within the neighborhood, increase affordable and  
7 market-rate housing, and create a significant number of construction and permanent jobs  
8 along the southeastern waterfront. In addition, the Project will provide additional benefits to  
9 the public that could not be obtained through application of existing City ordinances,  
10 regulations, and policies.

11 Section 2. Environmental Findings.

12 (a) The Planning Department has determined that the actions contemplated in this  
13 ordinance comply with the California Environmental Quality Act (Cal. Public Resources Code  
14 §§ 21000 et seq.) ("CEQA"). A copy of this determination is in Board File No. 170863 and  
15 incorporated in this ordinance by reference.

16 (b) The Board of Supervisors previously adopted Resolution No. 402-17, a  
17 copy of which is in Board File No. 170987, making CEQA findings for the Project. The Board  
18 of Supervisors adopts and incorporates in this ordinance by reference the Planning  
19 Commission's findings under CEQA.

20 Section 3. Consistency Findings.

21 The Planning Commission recommended that the Board of Supervisors approve the  
22 Development Agreement and amendments to the General Plan, the Planning Code, and the  
23 Zoning Maps at a public hearing on August 24, 2017, by Resolution Nos. 19978 and 19979, a  
24 copy/copies of which is/are in Board File No. 170863. The Board of Supervisors adopts and  
25 incorporates by reference in this ordinance the Planning Commission's findings of consistency

1 with the General Plan, as amended, and the eight priority policies of Planning Code  
2 Section 101.1.

3 Section 4. Public Trust Findings.

4 At a public hearing on September ~~4226~~, 2017, the Port Commission consented to the  
5 Development Agreement and approved the trust exchange agreement and the DDA, subject  
6 to Board of Supervisors' approval, finding that the Project would be consistent with and further  
7 the purposes of the common law public trust and statutory trust under the Burton Act (Stats.  
8 1968, ch. 1333) by Resolution Nos. 17-44 and 17-47, ~~a copy~~ copies of which ~~is~~ are in Board  
9 File No. 170863. The Board of Supervisors adopts and incorporates in this ordinance by  
10 reference the Port Commission's public trust findings.

11 Section 5. Approval of Development Agreement.

12 The Board of Supervisors:

13 (a) approves all of the terms and conditions of the Development Agreement in  
14 substantially the form in Board File No. 170863;

15 (b) finds that the Development Agreement substantially complies with the  
16 requirements of Administrative Code Chapter 56;

17 (c) finds that the Project is a large multi-phase and mixed-use development that  
18 satisfies Administrative Code Section 56.3(g); and

19 (d) approves the Workforce Development Plan attached to the DDA in lieu of  
20 requirements under Administrative Code Chapter 14B, Article VII of Chapter 23,  
21 and Section 56.7(c), and Chapter 83 to the extent that Chapter 83 applies to construction work  
22 that is subject to the Local Hiring Requirements of the Workforce Development Plan.

1 Section 6. Administrative Code Chapter 56 Waivers.

2 The Board of Supervisors waives the application to the Project of the following  
3 provisions of Administrative Code Chapter 56 to the extent inconsistent with the Development  
4 Agreement, the DDA, or the ICA, specifically:

5 (a) Section 56.4 (Application, Forms, Initial Notice, Hearing); Section 56.7(c)  
6 (Nondiscrimination/Affirmative Action Requirements); Section 56.8 (Notice); Section 56.10  
7 (Negotiation Report and Documents); Section 56.15 (Amendment and Termination);  
8 Section 56.17(a) (Annual Review); Section 56.18 (Modification or Termination); and  
9 Section 56.20 (Fee); and

10 (b) any other procedural or other requirements if and to the extent that they are not  
11 strictly followed.

12 Section 7. Other Administrative Code Waivers.

13 The Board of Supervisors waives the application to the Project of these provisions of  
14 the Administrative Code: (a) Chapter 6 (Public Works Contracting Policies and Procedures)  
15 other than the payment of prevailing wages as required in Chapter 6; (b) Chapter 14B (Local  
16 Business Enterprise Utilization and Non-Discrimination in Contracting); (c) Competitive  
17 Bidding Procedures appraisal effective date, and Additional Appraisal Review as defined in  
18 Section 23.3 (Chapter Definitions) and required by Section 23.3 (Conveyance and Acquisition  
19 of Real Property); (d) Section 23.2623.31 (Year-to-Year and Shorter  
20 Leases); (e) Section 23.30-23.42 (Lease of Real Propertys When City is Landlord);  
21 (f) Sections 23.33 (Competitive Bidding Procedures); (fg) Section 23A.7 (Transfer of  
22 Jurisdiction Over Surplus Properties to the Mayor's Office of Housing and Community  
23 Development); and (gh) Subsection (c)(2) of Section 61.5(e)(2) (Listing of Unacceptable Non-  
24 Maritime Land Uses); and (i) remedies and penalties for noncompliance with Section 4.9-1(c)  
25 (Nutritional Standards and Guidelines), Section 12Q.5(f) (Health Care Accountability), or

1 Section 12T (Criminal History in Hiring and Employment) that would result in termination of  
2 any Transaction Document, impairment of Developer's or any vertical developer's  
3 development rights at the 28-Acre Site, or debarment of Developer or any vertical developer  
4 from future contract opportunities with the City.

5 Section 8. Planning Code Waivers.

6 The Board of Supervisors:

7 (a) finds that the impact fees and exactions payable under the Development  
8 Agreement will provide greater benefits to the City than the impact fees and exactions under  
9 Planning Code Article 4 and waives the application of, and to the extent applicable exempts  
10 the Project from, impact fees and exactions under Planning Code Article 4 on the condition  
11 that Developer and all building developers comply with impact fees and exactions established  
12 in the Development Agreement; and

13 (b) finds that the Transportation Plan attached to the Development  
14 Agreement includes a Transportation Demand Management Plan ("TDM Plan") and other  
15 provisions that meet the goals of the City's Transportation Demand Management Program in  
16 Planning Code Section 169 and waives the application of Section 169 to the Project on the  
17 condition that Developer implements and complies with the TDM Plan for the required  
18 compliance period.

19 Section 9. Subdivision Code Waivers.

20 (a) The Board of Supervisors waives the application to the Project of time  
21 limits under Subdivision Code Section 1333.3(b) (Rights Conveyed), Section 1346(e)  
22 (Improvement Plans) and Section 1355 (Time Limit for Submittal) to the extent that they  
23 conflict with the ICA or the Development Agreement.

24 (b) The Board of Supervisors also waives the application to the Project of  
25 Subdivision Code Section 1348 (Failure To Complete Improvements Within Agreed Time).



1 and the following terms shall apply in lieu thereof: The Public Improvement Agreement, as  
2 defined in the ICA, shall include provisions consistent with the Transaction Documents and  
3 the applicable requirements of the Municipal Code and the Subdivision Regulations regarding  
4 extensions of time and remedies that apply when improvements are not completed within the  
5 agreed time.

6 Section 10. Authorization.

7 (a) The Board of Supervisors affirms that the waivers in this ordinance do not waive  
8 requirements under the Development Agreement Law and authorizes the City to execute,  
9 deliver, and perform the Development Agreement as follows:

10 (1) the Director of Planning, the City Administrator, and the Director of Public  
11 Works are authorized to execute and deliver the Development Agreement with signed  
12 consents of the Port Commission, the Municipal Transportation Agency, and the San  
13 Francisco Public Utilities Commission; and

14 (2) the Director of Planning and other appropriate City officials are authorized  
15 to take all actions reasonably necessary or prudent to perform the City's obligations under the  
16 Development Agreement in accordance with its terms.

17 (b) The Director of Planning is authorized to exercise discretion, in consultation with  
18 the City Attorney, to enter into any additions, amendments, or other modifications to the  
19 Development Agreement that the Director of Planning determines are in the best interests of  
20 the City and that do not materially increase the obligations or liabilities of the City or materially  
21 decrease the benefits to the City as provided in the Development Agreement. Final versions  
22 of any additions, amendments, or other modifications to the Development Agreement shall be  
23 provided to the Clerk of the Board of Supervisors for inclusion in Board File No. 170863 within  
24 30 days after execution by all parties.

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Section 11. Ratification of Past Actions; Authorization of Future Actions.

All actions taken by City officials in preparing and submitting the Development Agreement to the Board of Supervisors for review and consideration are hereby ratified and confirmed, and the Board of Supervisors hereby authorizes all subsequent action to be taken by City officials consistent with this ordinance.

Section 12. Effective and Operative Dates.

(a) This ordinance shall become effective 30 days after enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the ordinance unsigned, or the Mayor does not sign the ordinance within ten days after receiving it, or the Board of Supervisors overrides the Mayor's veto of the ordinance.

(b) This ordinance shall become operative only on the effective date of the DDA. No rights or duties are created under the Development Agreement until the operative date of this ordinance.

APPROVED AS TO FORM:  
DENNIS J. HERRERA, City Attorney

By:   
JOANNE SAKAI  
Deputy City Attorney

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City and County of San Francisco  
Tails  
Ordinance

City Hall  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102-4689

**File Number:** 170863

**Date Passed:** November 14, 2017

Ordinance approving a Development Agreement between the City and County of San Francisco and FC Pier 70, LLC, for 28 acres of real property located in the southeast portion of the larger area known as Seawall Lot 349 or Pier 70; and bounded generally by Illinois Street on the west, 22nd Street on the south, and San Francisco Bay on the north and east; waiving certain provisions of the Administrative Code, Planning Code, and Subdivision Code; and adopting findings under the California Environmental Quality Act, public trust findings, and findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1(b).

October 19, 2017 Budget and Finance Committee - CONTINUED

October 26, 2017 Budget and Finance Committee - AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE

October 26, 2017 Budget and Finance Committee - RECOMMENDED AS AMENDED AS A COMMITTEE REPORT

October 31, 2017 Board of Supervisors - PASSED ON FIRST READING

Ayes: 11 - Breed, Cohen, Farrell, Fewer, Kim, Peskin, Ronen, Safai, Sheehy, Tang and Yee

November 14, 2017 Board of Supervisors - FINALLY PASSED

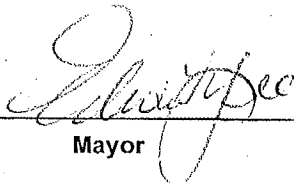
Ayes: 9 - Breed, Cohen, Farrell, Fewer, Peskin, Ronen, Safai, Sheehy and Yee  
Absent: 2 - Kim and Tang

File No. 170863

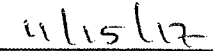
I hereby certify that the foregoing Ordinance was FINALLY PASSED on 11/14/2017 by the Board of Supervisors of the City and County of San Francisco.

  
\_\_\_\_\_

Angela Calvillo  
Clerk of the Board

  
\_\_\_\_\_

Mayor

  
\_\_\_\_\_

Date Approved

MASTER LEASE EXHIBIT O

This document is exempt from payment of a recording fee pursuant to California Government Code Section 27383  
  
RECORDING REQUESTED BY, AND WHEN RECORDED, MAIL TO:

FOR RECORDER'S USE ONLY

[APN: Lot 001, Block 4052 (Portion) and Lot 004, Block 4111 (Portion)]

MEMORANDUM OF MASTER LEASE

**THIS MEMORANDUM OF MASTER LEASE** (this "Memorandum") dated for reference purposes as of \_\_\_\_\_, \_\_\_\_\_ is by and between the **CITY AND COUNTY OF SAN FRANCISCO**, a municipal corporation (the "City"), operating by and through the **SAN FRANCISCO PORT COMMISSION** (the "Port"), and **FC Pier 70, LLC**, a Delaware limited liability company (the "Tenant").

1. Agreement. Port and Tenant have entered into a Master Lease dated as of \_\_\_\_\_, \_\_\_\_\_ (the "**Master Lease**"), under which (a) Port agrees to lease to Tenant the Premises described in Exhibit A attached hereto (the "**Site**"), (as may be altered in accordance with the terms of the Master Lease, the "**Premises**"). Except as otherwise defined in this Memorandum, capitalized terms shall have the meanings given them in the Master Lease.

2. Term. Twenty-five (25) years, unless earlier terminated or otherwise extended in accordance with that certain Disposition and Development Agreement between Port and Tenant dated \_\_\_\_\_, \_\_\_\_\_ ("**DDA**")

3. Effect of Recordation of Partial Release. The Master Lease contemplates that the Port and Tenant will from time to time execute and record a Partial Release of Master Lease covering a certain portion of the Premises in the Official Records of the City and County of San Francisco ("**Released Portion of Premises**"). Recording of a Partial Release of Master Lease will automatically terminate the Master Lease as it applies to the Released Portion of Premises that is the subject of the Partial Release of Master Lease, and after such recording, other than the terms and provisions that survive the expiration or earlier termination of the Master Lease, the Master Lease shall have no further force or effect on such Released Portion of Premises.

4. Notice. The parties have executed and recorded this Memorandum to give notice of the Master Lease and their respective rights and obligations under the Master Lease to all third parties. The Master Lease is incorporated by reference in its entirety in this Memorandum. In the event of any conflict or inconsistency between this Memorandum and the Master Lease, the Master Lease shall control.

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

*[Remainder of this page left intentionally blank]*

IN WITNESS WHEREOF the parties hereto have caused this Memorandum of Lease Disposition and Development Agreement to be executed by their duly appointed representatives as of the date first above written.

TENANT:

**FC PIER 70, LLC**, a Delaware limited liability company

By: \_\_\_\_\_

PORT:

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

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

APPROVED AS TO FORM:

Port Resolution No. 17 – 43 (September 26, 2017)  
Board of Supervisors Resolution No. 401-17

DENNIS J. HERRERA, City Attorney

By: \_\_\_\_\_

Name: [ \_\_\_\_\_ ],

Deputy City Attorney

**MASTER LEASE**  
**EXHIBIT O**

**CERTIFICATE OF ACKNOWLEDGMENT**

A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document, to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA

COUNTY OF \_\_\_\_\_

On \_\_\_\_\_ before me, \_\_\_\_\_ personally  
(insert name and title of the officer)  
appeared \_\_\_\_\_

\_\_\_\_\_ ,  
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.  
WITNESS my hand and official seal.

\_\_\_\_\_  
Signature (Seal)



**CERTIFICATE OF ACKNOWLEDGMENT**

A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document, to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA

COUNTY OF \_\_\_\_\_

On \_\_\_\_\_ before me, \_\_\_\_\_ personally  
(insert name and title of the officer)  
appeared \_\_\_\_\_

\_\_\_\_\_ ,  
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.  
WITNESS my hand and official seal.

\_\_\_\_\_  
Signature

(Seal)

## MASTER LEASE SCHEDULE B

### List of Project Approvals

#### Final approval actions by the City and County of San Francisco Board of Supervisors for the Pier 70 Mixed-Use District Project:

1. **Ordinance 224-17 (File No. 170863):** (1) Approving a Development Agreement between the City and County of San Francisco and FC Pier 70, LLC; (2) waiving certain provisions of the Administrative Code, Planning Code, and Subdivision Code; and (3) adopting findings under the California Environmental Quality Act, public trust findings, and findings of consistency with the General Plan and Planning Code priority policies.
2. **Ordinance 225-17 (File No. 170864):** Amending the Planning Code and the Zoning Map to add the Pier 70 Special Use District.
3. **Ordinance 227-17 (File No. 170930):** Amending the General Plan to refer to the Pier 70 Mixed Use Project Special Use District.
4. **Resolution 401-17 (File No. 170986):** Approving a Disposition and Development Agreement between the Port and FC Pier 70, LLC.
5. **Resolution 402-17 (File No. 170987):** Approving the Compromise Title Settlement and Land Exchange Agreement for Pier 70 between the City and the California State Lands Commission in furtherance of the Pier 70 Mixed Use Project.
6. **Resolution 403-17 (File No. 170988):** Approving the Memorandum of Understanding regarding Interagency Cooperation between the Port and other City Agencies.

#### Final and Related Approval Actions of City and County of San Francisco Port Commission (referenced by Resolution number "R No.")

1. **R No. 17-43:** (1) Adopting Findings, Statement of Overriding Considerations, and Mitigation Monitoring and Reporting Program under the California Environmental Quality Act; and (2) approving a Disposition and Development Agreement with FC Pier 70, LLC, and the attached forms of Master Lease, Vertical Disposition and Development Agreement, and Parcel Lease.
2. **R No. 17-44:** Approving a Compromise Title Settlement and Land Exchange Agreement for Pier 70 with the State Lands Commission.
3. **R No. 17-45:** (1) Consenting to zoning amendments to establish the Pier 70 Special Use District and related amendments to the City's General Plan; and (2) approving the Pier 70 Design for Development.
4. **R No. 17-46:** Approving amendments to the Waterfront Land Use Plan and its Design and Access Element.
5. **R No. 17-47:** Consenting to a Development Agreement between the City and FC Pier 70, LLC.
6. **R No. 17-48:** Approving a Memorandum of Understanding regarding Interagency Cooperation between the City and the Port.

7. **R No. 17-49:** Recommending that the Board of Supervisors establish proposed Sub-Project Areas within Project Area G (Pier 70) of Infrastructure Financing District No. 2 and an Infrastructure and Revitalization Financing District.
8. **R No. 17-50:** (1) Approving a Memorandum of Understanding between the Port and City's Controller, Treasurer and Tax Collector, and Assessor-Recorder to implement the DDA Financing Plan; (2) recommending that the Board of Supervisors appoint the Port Commission as the agent of the Infrastructure Financing District and one or more Special Tax Districts; and (3) approving and recommending to the Board of Supervisors a Form of Special Fund Administration Agreement between the Port, Infrastructure Financing District, Infrastructure and Revitalization Financing District, Special Tax Districts, and a corporate trustee.
9. **R No. 17-51:** Recommending to the Board of Supervisors proposed amendments to the Special Tax Financing Law, Article X of Chapter 43 of the San Francisco Administrative Code.
10. **R No. 17-52:** Approving the terms of the Port's sale of Parcel K North and a form of Vertical Disposition and Development Agreement.

**Final and Related Approval Actions of City and County of San Francisco Planning Commission** (referenced by Motion Number "M No." or Resolution Number "R No.")

1. **M No. 19976:** Certifying the Final Environmental Impact Report for the Pier 70 Mixed-Use District Project.
2. **M No. 19977:** Adopting Findings and Statement of Overriding Considerations under the California Environmental Quality Act.
3. **R No. 19978:** Recommending to the Board of Supervisors approval of the General Plan Amendments.
4. **R No. 19979:** Recommending to the Board of Supervisors approval of amendments to the Planning Code and a Zoning Map amendment to establish the Pier 70 Special Use District.
5. **M No. 19980:** Approving the Pier 70 Special Use District Design for Development.
6. **R No. 19981:** Recommending to the Board of Supervisors approval of a Development Agreement between the City and FC Pier 70, LLC.

**Final and Related Approval Actions of Other City and County of San Francisco Boards, Commissions, and Departments:**

1. San Francisco Municipal Transportation Agency **Resolution Number 170905-112** consenting to the Pier 70 Development Agreement, including the Transportation Plan, and consenting to the Interagency Cooperation Agreement.
2. San Francisco Public Utilities Commission **Resolution Number 17-0209** consenting to the Development Agreement; consenting to the Pier 70 Interagency Cooperation Agreement; and authorizing the General Manager to negotiate and execute a Memorandum of Understanding with the Port regarding the relocation of the SFPUC's 20th Street Pump Station.

**Master Lease Schedule B**

**MASTER LEASE SCHEDULE 1.1**  
**DDA §§ 15.8 AND 15.9**

**15.8. Acceptance of Park Parcels and Phase Improvements.** All Port Acceptance Items are subject to Port Commission acceptance as described in this Section. Within 30 days after the Chief Harbor Engineer's issuance of an SOP Compliance Determination for any Port Acceptance Item, Port staff will place an item on the Port Commission's calendar in accordance with Subsection 5.3(c) (Port Commission Meetings). Port staff will prepare a staff memorandum to the Port Commission that will include the following: (i) a description of the Port Acceptance Item to be accepted; (ii) a finding that the applicable Port Acceptance Item is functional and is constructed in conformity with the Project Requirements and Regulatory Requirements; (iii) a list of any permitted encroachments, easements or title exceptions that the Port is willing to accept on terms agreed upon by the Parties prior to the Chief Harbor Engineer's issuance of an SOP Compliance Determination; (iv) a description of any Deferred Infrastructure associated with the Port Acceptance Item that will be constructed and accepted at a later time to avoid damage to the Port Acceptance Item, as previously approved by Port in accordance with the ICA; (v) any conditions of acceptance, including conditions related to existing sub-surface improvements as described in Subsection 15.8(d) (Sub-Surface Improvements Below Port Acceptance Items); and (vi) the Chief Harbor Engineer's recommendation that the Port Commission accept the applicable Port Acceptance Item on the following terms.

(a) Conformity Findings. The Port Commission must find that the applicable Port Acceptance Item described in the staff memorandum is functional and is constructed in conformity with the Project Requirements and Regulatory Requirements.

(b) Delegation for Deferred Infrastructure. Completion of the approved Deferred Infrastructure identified in the staff memorandum will not be a pre-requisite to Port Commission acceptance of a Port Acceptance Item, but the Port Commission will delegate to the Port Director or her designee the authority to accept at a later date, the approved Deferred Infrastructure associated with the applicable Port Acceptance Item once it is complete. The Port Commission resolution will specify any conditions to the actions delegated to the Port Director.

(c) Release and Acceptance. The Port Commission will authorize and direct the Port Director, or her designee, to promptly, but in no event later than 10 business days after satisfaction of all conditions required by the Port Commission for acceptance, if any, record a signed, acknowledged Partial Release of Master Lease under ML § 1.1(b) (Adjustment of Premises for Development) release from the Master Lease, the real property occupied by the accepted Port Acceptance Item. With respect to the approved Deferred Infrastructure associated with the applicable Port Acceptance Item accepted by the Port Director under Section 15.8(b) (Delegation for Deferred Infrastructure), the Port Director will sign and record a Partial Release of Master Lease under ML § 1.1(b) (Adjustment of Premises for Development) promptly, but in no event later than 10 business days after the later of (1) the Chief Harbor Engineer's issuance of an SOP Compliance Determination for the applicable approved Deferred Infrastructure, or (2) satisfaction of all conditions required by the Port Commission for acceptance of the Approved Deferred Infrastructure, if any. The Port Director will deliver a conformed copy of the recorded document to Developer promptly after recordation.

(d) Sub-Surface Improvements Below Port Acceptance Items. If a Port Acceptance Item or associated approved Deferred Infrastructure includes sub-surface improvements for which the City has not yet accepted ownership (e.g., completed but unaccepted combined sewer storage facilities that lie beneath a completed Park Parcel), a condition to Port's acceptance of the Port Acceptance Item or the associated approved Deferred Infrastructure will be the Developer entering into an agreement reasonably satisfactory to the Parties and the City prior to Port acceptance under which the Port grants to Developer a right-of-entry for maintenance, repair and inspection purposes and Developer retains ownership and liability for the sub-surface improvements until such time as the sub-surface improvements are formally accepted by the City. The terms of the agreement will require Developer, among other things, to extend the applicable insurance coverages, indemnity and release provisions under the Master Lease to the subject property.

(e) Effect of Recordation. Recordation of the Partial Release of Master Lease under ML § 1.1(b) (Adjustment of Premises for Development) will:

(i) transfer ownership of the accepted Port Acceptance Item or Deferred Infrastructure, as applicable, to the Port; and

(ii) release Developer from future obligations for liability or repair of the accepted Port Acceptance Item or Deferred Infrastructure, as applicable, except to the extent provided under Subsection 15.8(d) (Sub-Surface Improvements Below Port Acceptance Items), Section 9.3 (General Indemnity), Section 9.4 (Environmental Indemnity), and applicable warranties.

**15.9. Acceptance of Other Horizontal Improvements.** The ICA provides for the City Agencies to meet and confer to consider other standards and procedures for acceptance of Horizontal Improvements, including Utility Infrastructure and, if desired, adopt procedures for acceptance of Horizontal Improvements. For any Horizontal Improvement that any City Agency accepts in accordance with applicable Regulatory Requirements, upon a City Agency's acceptance of a Horizontal Improvement, the Parties will record a Partial Release of Master Lease under ML § 1.1(b) (Adjustment of Premises for Development) unless the acceptance relates only to sub-surface improvements where the surface improvements have not been accepted, or vice versa, in which case, as a condition to the acceptance, Developer will be required to provide the accepting agency with access rights in accordance with the Master Lease, and warranties covering the accepted improvements for a period of time as specified in the conditions to acceptance and thereafter, under the applicable Public Improvement Agreement.

**MASTER LEASE SCHEDULE 14.3  
DISCLOSURE SUMMARY SHEET**

**[SEE NEXT PAGE]**

**Port of San Francisco**  
**Energy Disclosure Status for Buildings 2, 12, 21 at Seawall Lot 349**  
**May 9, 2018**

**SWL 349 – Building #2**

An energy performance disclosure report is not available. Port's tenant, Paul's Stores, Inc., was responsible for the electric meters. Electricity usage & billing reports have not been available to the Port.

**SWL 349 – Building #12**

An energy performance disclosure report is not available. Port tenant, Forest City, Inc. (License 15790) is responsible for the electric meters (i.e. HC27, PC64, and PC396). Electricity usage & billing reports are not received by the Port.

**SWL349 – Building #21**

An energy performance disclosure report is not available. This building does not have conditioned air space.